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HANSARD

*Speaker: Honourable Derek Bennett, MHA*

Wednesday

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(Night Sitting)

The House resumed at 6 p.m.

**SPEAKER (Bennett):** Order, please!

The hon. the Deputy Government House Leader.

**L. DEMPSTER:** Thank you, Speaker.

I move that this House do now resolve itself into a Committee of the Whole to consider Bill 5, An Act Respecting the Establishment of the Newfoundland and Labrador Future Fund.

**SPEAKER:** It is moved and seconded that I do now leave the Chair to resolve the House into Committee of the Whole.

Is it the pleasure of the House to adopt this motion?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**SPEAKER:** All those against, 'nay.'

Motion carried.

On motion, that the House resolve itself into a Committee of the Whole, the Speaker left the Chair.

### Committee of the Whole

**CHAIR (Warr):** Order, please!

We are now considering Bill 5, An Act Respecting the Establishment of the Newfoundland and Labrador Future Fund.

A bill, "An Act Respecting the Establishment of the Newfoundland and Labrador Future Fund." (Bill 5)

**CHAIR:** Clause 1.

The Chair recognizes the hon. Member for Exploits.

**SOME HON. MEMBERS:** Hear, hear!

**P. FORSEY:** Thank you, Mr. Chair.

It's always an honour to get in this House of Assembly and represent the District of Exploits. Anyway, the past couple of days we've been debating the Future Fund, and what I've been hearing, of course, is I don't think anybody has any big objection to the Future Fund. It's a good concept. I think what I've been hearing basically is how it's going to be set up, where the money is coming from, where's the funds coming from, that sort of stuff.

Assets seem to be a big part of the play. What assets will be sold? What's in the assets? What have we got? Of course, the people of the province have already asked for those assets. They want to know what assets we have. There hasn't been anything revealed with regard to what assets might be sold. Like I say, the concept is good, but what do we do – is it a profitable asset that we're going to lose? It's something that certainly needs to be seen, needs to be put on the table before any big decision can be made on that.

Getting back to the assets themselves, it was a report, the Rothschild report, a \$5-million report that didn't come back to the House, didn't come back to the public to see what was in that report. You just gave away \$5 million; nobody is supposed to know what happened to it. Was there a report? Did they come back with it? Do they know what assets that we had when we already knew this in the beginning? We should've known what assets we own, rather than give \$5 million to somebody to tell us what we do own. And now come back and say that we don't know what the assets are.

There's a problem with that. There's no clear view of what's happening there. Transparency is just not there. I think that's the big problem of it. Five million dollars in regard to where you fellas are going to get the money to start this fund. Only a couple

of years ago, you took \$30 million and gave it to a company down in the States to streamline health care. Where's that to now? Is that around? So you have \$30 million there, \$5 million for Rothschild. A lot of money so far in the Future Fund that we could've had there; could've had the account started up.

Yet, you're still looking for money. You want to sell off assets and we don't know what you're going to sell off. So that's the problem we have with that.

**AN HON. MEMBER:** Trust us.

**P. FORSEY:** The word is trust, yes. That's the word: trust.

So when you're talking about that word "trust," that leaves a lot of questions of when to trust you, how to trust you, because you just do it and you just want us to trust you. But we can take the money and do whatever we like with it. Again, \$30 million given away.

**AN HON. MEMBER:** The Premier's office.

**P. FORSEY:** Yes, set up a Premier's office. No trouble. Trust us; we can look after the funds.

That is the big key, is where are the assets coming from, what assets are being sold. When we have a company down in the States that's looking after our own assets and we don't know what we own. I'm baffled with it. We don't know what we own so we need \$5 million for a report to come back to us to tell us what we own. I'm baffled. Who can tell us? Can us fellows tell what we owns? Can Rothschild tell us what we own? Or does anybody know what we own? They don't know.

So I really don't know. Was there a report? And if there is a report, let's see it. Let's see what assets are mentioned in that report. I don't see any big problem with it. We're all here in the House of Assembly. We're

supposed to be collaborating, making those decisions and, again, we all said the concept of the Future Fund was a great concept. We know that bills got to be paid down the road; we know that. We know that we got to pay our debts, but how do we get the money? The problem is that we don't know where you guys are getting the money.

**AN HON. MEMBER:** (Inaudible.)

**P. FORSEY:** There are things we could do, of course, but we don't know what assets we own anyway, so we don't know what we can sell. We'd like to see that report. I think that is a big concern with the House right now. We won't have a decision on what happens to the funding; what we sell; where the money goes. The part of trust and transparency, you're losing it with, basically, not giving up that report. That report is a big part – and you've said it, that report is a big part of where we get the Future Fund because it is in our assets. You've said it time and time again. The minister has gotten up and said we will be selling assets; we'll get it from our assets. So to get it from our assets, there had to be a report, or supposedly there had to be a report.

So what's in that report? That's where we're to. Then for someone to make a decision, within 10 years, someone from Cabinet is able to make a decision on where the funding goes. The Cabinet can sit around and just say wherever the money can go to after 10 years, after the Committee or whatnot.

So we need more information than this into this Future Fund. Again, good concept, but where's the money coming from? Where is the report from Rothschild? I'd certainly like to see what assets we're looking at and what's intended for that asset.

Thank you, Mr. Chair.

**CHAIR:** Thank you.

The Chair recognizes the hon. the Member for Torngat Mountains.

**L. EVANS:** Thank you.

The Future Fund, just looking at it now, I believe it's good in principle. It's 25 years late. I'm not saying it's too late but it's 25 years late. Anything that has merit, I think, it's never too late to bring something in, but there are some issues with this particular Future Fund as it stands.

Just listening to the minister earlier talk about – I can't remember the words – basically saying that the Opposition should support or that we should be glad that your government is doing it, but instead the Opposition is politicking or something like that – something similar.

I listened to the Member for Harbour Main speak on that very passionately, talking about how offensive that is and how offended she felt. I think over here on this side, if not all of us, then most of us, we're a little bit offended by that. Because what was said in response to that is the Opposition has a role to question legislation, especially when it comes to the management of the finances for the province.

We're not politicking if we're questioning, especially when we are saying there's a lack of transparency or we're asking for the details of reports, you know when we're looking at Crown corporations that may be sold off. There's nothing wrong with that and I agree with the Member for Harbour Main. She spoke quite eloquently on that.

Looking at Norway: 1990 they established their oil fund and it's important to note that these future funds, this type of fund can work. But really for us over here on this side in the Opposition, really what it's about is it's about trust.

I heard Members here stand up and speak and the questions they raised was about the lack of trust and quite honestly why should

we trust this government? There's a history there that's actually created distrust from us.

So looking at the Future Fund, some of the things raised that I heard, because I'm not going to repeat all the details, talking about vague language, speaking in generalities and lack of transparency, over and over again brought up about the Rothschild report.

So what's holding us up in supporting this Future Fund – and I say I'm not going to support it – is the lack of transparency and the lack of trust, especially when it comes to the monies for the province, the finances for the province, especially when it comes to selling off Crown corporations, when we can't actually even see the details of that, we can't even debate that. Why would we trust that? Especially because a lot of what's been listed is actually quite profitable, quite lucrative. So the lack of transparency, lack of trust.

There has been a lot of mention of the Greene report, the recommendations, this whole Future Fund is in line with the recommendations; the proceeds will go towards reducing the debt and also to fund green technology.

Looking at green technology, as everyone knows and has been pointed out over and over again, our Party supports advancing green technology – very, very important to us. Not only for climate change, but also to make sure that our people have access to jobs, good-paying jobs. That's where the jobs of the future are, in green technology. Yet, we see there's no transition plan. There's no transition plan.

When we're looking at jobs for this green technology, this transition, will these jobs be good-paying jobs? Will these jobs have good benefits? Will there be community benefits? Will the jobs stay in our province? Those are the questions we have over here, not just the NDP but also the PCs and I'm

sure the independents have the same questions as well.

When we talk about the fund, what's the plan? We gave \$370 million to the oil companies, the rich oil companies who are now showing record profits, yet there's no transition plan that we can look at. One of the things that we would like to see is a just transition plan that looks after the workers, looks after the communities, builds a future in Newfoundland to make sure that we don't have a lot of the high-paying jobs being in other provinces and also in other countries.

What I'd like to say is the creation of a Future Fund would be a sound decision, but it should come neither at the expense of our public services, nor should it be funded through a fire sale of our revenue-generating assets. That's where we stand.

I know there were questions from the Member for Mount Pearl - Southlands about the NDP, but for us a Future Fund shouldn't come at the expense of our public services. It shouldn't be funded through a fire sale of our revenue-generating assets. That's where we stand.

Now, when we look at these assets, the sale of our assets, these Crown corporations, right now when we look at them, the reason why we're concerned is we want our communities to prosper. We want our workers to be employed in good jobs so that they don't have to work two or three jobs just to raise a family in the Province of Newfoundland and Labrador.

So these revenue-generating assets that's on the chopping block right now that can be actually privatized, they're good jobs. These jobs have good benefits and they have good pay. The people who are employed with these jobs, they have a good future right now. But if we sell it off, it's going to be privatized and anything that's privatized is to generate profits for big businesses. That's the problem I have. But we can't actually

even see it. We can't even see this report so how can we trust it.

For me, like I said, a fire sale: the wording and the timing of this legislation highly suggests that the sale of public assets is coming in the next months and years, but there's secrecy around it. So there's an urgency on our side. On our side of the House there's an urgency, because everybody in the province that works or is in families or in communities where these jobs exist, what's going to happen? What's going to happen to those families?

If you go from a public job to a privatized job for profit, you know the benefits are going to be cut, if there are benefits at all. You know the wages are going to be cut. The whole situation will change. I listened to the Members and the Official Opposition asked for answers, asked to see the report. I listened to people in my Party, the NDP, ask for answers, but there's none coming – secrecy. So you think we're going to vote for this. It has merit, but there's no transparency. In actual fact, every person in this province should be questioning this government.

Looking at the green technology, talking about jobs. For us to invest monies into the green sector, this province has to ensure that workers in our communities come first. That's our words. That's words that we have. Do you know what I mean? When you listen to us, the NDP, each one of us will say exactly that, maybe worded a little different.

But what it is, is for investment in the green energy sector, the future jobs, this province, this government has to ensure that the workers and our communities come first. Not big businesses, not the friends of government, not the friends of parties. It is so important for that to happen because if not, 10 to 15 years we're going to be in the same old boat like when the cod collapsed, when the fishery collapsed. Now the oil industry is slowly waning off and we're in

the same situation; we had to boost up the oil companies.

So, for me, I just look at the Greene report. Talk about distrust, mistrust or whatever. The Greene report recommends, when talking about the structure of this fund, it should be overseen by an external advisory group. But the Member for St. John's Centre raised a point that there is only one person there responsible for the general public interest. That certainly is not an external advisory group. That's just one of the things that we see.

For me, like I said, I'm definitely not going to be supporting this and it is only because of the lack of transparency. Also, one of the things that were said is that, really, when you look at this, is it just smoke and mirrors to confuse the lenders to give us more money. I actually wrote that down because it was said in one of our meetings, word for word.

**CHAIR:** Order, please!

I'll remind the hon. Member that her speaking time has expired.

The Chair recognizes the hon. Member for Mount Pearl - Southlands.

**P. LANE:** Thank you, Mr. Chair.

Just a couple of points, I suppose. Mr. Chair, I know when I spoke about this earlier I said that I didn't know if I would support this or not; I had concerns. I still have a concern as it relates to – I know I have a couple of amendments and maybe others will as well – about this whole concept of Cabinet deciding when to take out money and how much money and when it is needed, some strategic initiative that the minister decides.

While I appreciate the fact that the minister pointed out that there is a process that it would have to go through – I understand that – under the *Financial Administration*

*Act*, but at the end of the day that process really would be that a decision has been made to do it and, somewhere along the way, when we get to budget time there will be a line in budget, somewhere in that nice, big, thick document that might say money removed from Future Fund and gone into general revenues. Then, I guess, somewhere in the budget, there will be some additional money added on to a particular department where the money is going to be spent on some initiative.

So possibly, the Opposition may be able to tease that out through the Estimates process, to try to figure out what money has been moved, where and how it's going to be spent. But it can be kind of hidden, if you will, in that budget document for us to try to figure out what the intent is. And if nobody happens to ask the right question as to where is this additional money coming from or how they have an additional expenditure projected under this category, then we don't find out until it happens.

That's kind of my issue with, although it would have to be approved under the budget process, it's not being approved as a stand-alone issue, and, of course, then that gets caught up in the whole Budget Speech and the budget only has so many hours that you're allowed to debate it, for example. So if there was an issue that I had with Future Fund money being withdrawn for some strategic initiative that we might feel, as an Opposition, this is a big issue, we're going to be debating this for hours and hours and hours and we're not letting this go, but now all of a sudden it's part of the Budget Speech, it's part of the budget and we're limited on our hours.

So time we might want to be on a particular issue, that time is going to be taken off the budget time. I understand that technically the minister is right. Technically, it comes to the House of Assembly through the budget process, but I don't think that, in itself, lends itself to good, healthy debate over the issue of someone making a decision to decide to

take money out of this Future Fund and spend it on some initiative that the minister thinks is a good idea, whoever the minister is of the day. So that's why I have a problem with that.

I look at examples, as we talked in the past, where we've had Interim Supply. We looked at where we had emergency debate in this House for the pandemic. So if we had an extraordinary circumstance or if there was some initiative that is so critical to the people in Newfoundland and Labrador that we're all going to be on board with this, we need this money for this great initiative, then I don't see what the big deal is to call an emergency meeting of the House of Assembly, if it can't wait until normal sitting time, and just get us all and say look, we want to withdraw X amount of dollars, or the minister does, or is recommending, from the Future Fund for this great opportunity, whatever that opportunity is, and here's what we want to do with the money and here's how much we want to take, and we have a debate in the House of Assembly. If it's such a good idea, I'm sure we'll all support it.

I don't see how having that in there does anything to negatively impact the Future Fund or what we're trying to do. Other than the fact that we're simply saying that the government on a whim – I'm not saying you would do it on a whim. I'm not saying this government, but it could be a future government. We're talking 10 years out. The minister has said we got 10 years to fix it. But if we've identified the problem right now, why would we wait 10 years to fix it? Why would we wait five years, two years?

**SOME HON. MEMBERS:** Hear, hear!

**P. LANE:** That's the part I don't understand. If we've identified that this is a concern, why are we going to say we can fix it sometime between now and 10 years? I might not be here 10 years from now.

**AN HON. MEMBER:** (Inaudible.)

**P. LANE:** I know you won't, but I mightn't be.

**AN HON. MEMBER:** (Inaudible.)

**P. LANE:** That's right, you're not.

But –

**CHAIR:** Order, please!

**P. LANE:** Mr. Chair, that's the concern. The concern I have is the fact that if we have a situation here now where there's a decision that the minister of the day decides they want to take some of this money and spend it, it gets lost in the budget process. All we have to do is make a slight change here to the legislation to say the minister makes the recommendation and it goes to the House of Assembly to debate and vote on. If it's a majority government, you're going to get your way anyway –

**AN HON. MEMBER:** That's democracy.

**P. LANE:** But it's still democracy. At least Members in the Opposition, whoever the Opposition is, has their say on behalf of the people they represent, and at least it becomes public knowledge and all the pros can cons are put out there for the public to hear. It's not just simply we're in government, we're in charge and we're going to do whatever we want whether you like it or not. That's the overall concern I have.

That's really my only concern now. I do thank the minister for giving an explanation over the fact that – because I did have a concern about putting money into a fund when we're going to borrow money on one end and then invest it on another end, I didn't see it, but she did clarify the fact that there's at least a 2 per cent gain.

**S. COADY:** Spread.

**P. LANE:** There's at least a 2 per cent spread, maybe more. So I can live with that.

Certainly when there's lot of revenue coming in, we should be putting money away, and I agree with that.

As far as this asset piece goes, you know, I want to say again, because I don't want this to be misconstrued by anybody that somehow if you support this bill then you are supporting the sale of public assets because that's not true. While it may be captured in the bill, it's captured in the bill that if there were assets sold it could go into this fund, but even if we didn't have this bill, there's nothing to stop the government from trying to sell assets tomorrow even without this bill.

The two aren't hand in hand. The fact that it's mentioned here creates a segue for us all to get in on the whole idea of you're going to sell off assets or what assets you're going to sell off from the Rothschild report and all that stuff; all important matters, by the way, but they really have nothing to do with this bill per se.

So I just want to make it clear that if I support this bill, and I probably will, that in no way implies that I am supporting selling off public assets – no way implies that. I wouldn't want that to be misconstrued in any way to say that anyone who supports a future fund is supporting selling off assets.

Now, if any assets get put up for sale or the government decides they want to go down that road, we'll have our debate and depending on what the asset is, like if the government said well, we're going to sell off oil royalties or shares or something and can get like good money for it and it all makes sense financially, maybe I'd support that.

I'm not going to say carte blanche I'm not supporting the sale of anything. I don't think that would be an appropriate position to take to say that I'm not going to support selling anything, period, if I don't even know what it is, what it's worth, what the value is or whatever. So we'll take them one at a time.

Generally speaking, I do have concerns about selling off assets, as all Members would. A particularly sensitive one, to my mind, is the Newfoundland Liquor Corporation which brings in a lot of revenue to this province and employs a lot of people in a good-paying job. If all we're going to do by selling off the Liquor Corporation is that nothing changes for the government other than the fact that people are making now minimum wage and a millionaire becomes a multi-millionaire, I don't really support that.

Anyway, with that said, I'll take my seat, Mr. Chair.

**CHAIR:** Thank you.

The Chair recognizes the hon. the Minister of Finance and President of Treasury Board.

**S. COADY:** Thank you very much.

I'll very quickly respond just so it's on the record. The Member opposite is correct that 8(1)(b) does say it's subject to there being an appropriation provided under the *Financial Administration Act* for the amount being transferred, and just for clarity and certainty in *Hansard*, the *Financial Administration Act* under 25(3) does talk about the appropriation of accounts. I'll use a quote from the act itself, "... but no issue shall be made in excess of an appropriation authorized by the Legislature ...." So for clarity and certainty I just wanted to read that into the record, Chair.

The Member is raising the point and I take that point that maybe in 10 years' time – and that's what we're talking about now in 10 years' time we may want to ensure that there's a different process. I take him in his sincerity of that, but I just want to make sure that the people who are viewing today understand there is a role here for the Legislature under the *Financial Administration Act* for appropriation of funds. Secondly, we're talking about something that is 10 years down the road.



We may have revisions and refinements to the bill prior to that in any case.

Concerning the issue of assets, the Member opposite is absolutely correct. Whether a decision is taken to sell or change an asset is a separate decision from this legislation. All this legislation says is it captures that funding and instead of going to the general revenues, it would go to the Future Fund to be utilized, really to pay down debt, but in 10 years' time there may be other considerations.

Thank you.

**CHAIR:** Further speakers?

Shall the motion carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

On motion, clause 1 carried.

**CLERK (Hawley George):** Clause 2.

**CHAIR:** Shall clause 2 carry?

The Chair recognizes the hon. the Member for Stephenville - Port au Port.

**T. WAKEHAM:** Chair, I'd like to propose a friendly amendment to clause 2. I would move, seconded by the Member for Terra Nova, that Bill 5, An Act Respecting the Establishment of the Newfoundland and Labrador Future Fund, be amended at paragraph 2(d) by adding after the words "Lieutenant-Governor in Council" the words "and at the direction of the House of Assembly by way of a resolution."

**CHAIR:** Thank you.

This House will now recess so we can have a look at the amendment to see if it's in order.

Thank you.

### **Recess**

**CHAIR:** Are the House Leaders ready?

Order, please!

The proposed amendment is said to be in order.

The Chair recognizes the hon. the Member for Stephenville - Port au Port.

**T. WAKEHAM:** A great evening for democracy.

**SOME HON. MEMBERS:** Hear, hear!

**T. WAKEHAM:** I am glad to see that this amendment is in order. Again, I would describe it as a friendly amendment. It certainly doesn't take away from the intent of what the government is proposing with a Future Fund. It simply makes it more transparent and accountable to the House of Assembly and that is, I think, what we all want to talk about.

The fact that it will now, by way of a resolution to the House, the idea of making extraordinary circumstances and withdrawals based on a resolution of the House seems like a good idea for the people of the Province of Newfoundland and a good idea for all of us to support.

That's what this is meant to do.

**SOME HON. MEMBERS:** Hear, hear!

**T. WAKEHAM:** Simply that.

I know that the Future Fund may be like a sinking fund, which don't go back to the House for payouts, but the contribution to sinking funds were approved by the House

originally and are tied to bond issuance. Again, that's all this is about. This is simply about transparency and accountability.

I think what you've heard from this side of the House all today in the debates was simply about transparency and accountability. This amendment will do that. It will bring it back to the direction of the House of Assembly by way of a resolution.

I don't need to stand up here and talk about that all night long. I think the intent of the resolution is clear. We know what we want to do and we certainly look for government's support in making it accountable and transparent as a number one issue in bringing it back to the House.

Thank you.

**SOME HON. MEMBERS:** Hear, hear!

**CHAIR:** Thank you.

The Chair recognizes the hon. the Minister of Finance and President of Treasury Board.

**S. COADY:** Thank you very much, Chair.

I appreciate being recognized on this issue. We've had a significant amount of debate about what constitutes an extraordinary circumstance. As the definition of 2(d) says, it "has materially impacted or is projected to materially impact ...." Chair, there are standards around the use of the term materiality and they are set standards. The Auditor General would recognize those standards.

The Canadian auditing standards define materiality as the amount that could be reasonably expected to influence the economic decisions of users taken on the basis of the financial statements.

Now, Chair, those are standards. They're not decisions. They're standards that have

to be met in order to meet the test of materiality.

So I'll say that it is a standard, a test that has to be met under accounting rules. The Auditor General obviously would have a view into that as well.

I do hear multiple times about transparency and I'll remind Members that the performance of the fund has to be transparent under the *Transparency and Accountability Act*. That would include annual financial statements; that would include financial statements audited by the Auditor General; that would include activity plans; that would include annual reports and they all have to be tabled in the House of Assembly.

So, Chair, when I say materiality has standards, it has to meet a test of standards. I read to you already the Canadian auditing standards, that's a test and therefore we will not be supporting the amendment as presented.

**CHAIR:** The Chair recognizes the hon. the Member for Mount Pearl - Southlands.

**P. LANE:** Thank you, Mr. Chair.

I will be supporting the amendment. As a matter of fact, I have pretty much an identical amendment that I had written myself, so I thank the Member for Stephenville - Port au Port for putting it in there. Obviously, we're on the same page.

Mr. Chair, it's very disappointing, I have to say, because what I'm hearing in this House of Assembly all day is a willingness of all parties, all Members, wanting to support the concept of a Future Fund. It amazes me; we're all on the same page. We're all saying this is a good idea, but when we talk about co-operation and collaboration, how many times have we heard that?

I know the people of Newfoundland and Labrador said to me we want you to work

together, but how is it working together because government's definition of working together is rubber stamp everything we do. If you don't agree 100 per cent on everything we do and you give it a rubber stamp, you're not collaborating, you're not co-operating. That's not how it's supposed to work.

Co-operation, collaboration, I have ideas, you have ideas, we debate the ideas and God forbid somebody on this sides of the House might come up with something that nobody thought of over there. That doesn't mean that you're not doing your job. It doesn't mean that you're not smart. It doesn't mean that you're a bad government. It doesn't mean any of that. It just means that we have a bunch of adults here who are elected by the people of Newfoundland and Labrador. They all have ideas and somebody threw out a few ideas that perhaps wasn't thought of or whatever the case might be. I don't know if it is a pride thing or something. We cannot, for some reason, accept the fact that maybe there is something that can be offered on this side to strengthen the legislation and make it better.

All we're saying here – and I don't understand why you'd be against it. I don't understand what there is to be against. Given the fact that what you're saying is correct – and I agree with you about the standards. I agree with the minister: the accounting standards; the Auditor General. We all agree with that. That's good; that's excellent. All the more reason that when you take it and you bring it before the House of Assembly, it is going to be a legitimate ask and we're all going to agree to it anyway. So where is the loss in that?

What can possibly be wrong with what is being suggested? I can't think of one thing that can be wrong. I never really heard any suggestion as to what's wrong with it. Other than the fact is this is what we decided and we're not going to change our mind, and that is very disappointing.

So if you want to have co-operation, collaboration, I am here to work with you. But if we're going to continue to demonstrate the fact that it is your way or the highway, it ain't going to be on and you can forget about my co-operation from here on in.

Thank you, Mr. Chair.

**SOME HON. MEMBERS:** Hear, hear!

**CHAIR:** The Chair recognizes the hon. the Member for Terra Nova.

**L. PARROTT:** It is absolutely amazing how we talk about transparency and we understand what materiality is, but the minister just talks about the onus to report back about the investments. Nobody is talking about the investments or what happens to the investments during the 10-year period. We all hope that the money invested grows. We all hope that money can come back and pay down debt or pay for necessary evils that we have to get rid of. If you guys don't hope that, which I don't think you do based on voting down this amendment, then we have big, philosophical issues in this House.

What we're questioning is how this money is spent and you guys are upset by that. It is the people of Newfoundland and Labrador's money.

**SOME HON. MEMBERS:** Hear, hear!

**L. PARROTT:** It is the people of Newfoundland and Labrador's money. Listen, budget is not debate. When we do a budget –

**AN HON. MEMBER:** (Inaudible.)

**L. PARROTT:** But how can you not agree to a friendly amendment that makes all the sense in the world when it comes to the provincial coffers and the people that invest in them?

It makes zero sense how you can instantly say this doesn't make sense. All we're saying is that it comes back to the House of Assembly, which it should, for debate. Listen, at the end of the day, this is either a Future Fund for the province or a Future Fund for the Party. My guess is it is a Future Fund for the Cabinet ministers that want to decide how it is being spent. It is pretty simple. The reality of this is that we're all in here trying to collaborate. We've got a group of people who are like-minded on this. People are like-minded on this; everyone here wants to support it, but we want to support it as it is and can work best for the people that put us in this House, the people who elected us. Every single one of us were elected by people in our ridings.

Look at VOXM *Open Line* today, the question of the day. What do they say? They're saying exactly what we're saying here and you guys just choose to ignore it. That's the voice of the people, not the voice of the Liberal Party of Newfoundland. This is a good amendment, and it to instantly saying it makes no sense, makes no sense. The reality of it is it has nothing to do with the investments or how they grow. We believe that that's a good idea. We believe that the transparency of that is going to work. No one is questioning that.

We're questioning how this money will be spent. For people on that side of the House not to be as worried about it as we are, you guys don't even know if you're going to be in government in 10 years. I can tell you, in 10 years if you're not in government, you'll be asking the exact same questions that you're asking today. The reality of it is three months ago, when you all voted for the carbon tax, when you all thought it was great, three months later you've got your minds changed.

So think about it. Don't just automatically dismiss it because that's the thing to do, because the Minister of Finance didn't get her own way. It's not a bad bill; it's a good bill, but it's not the best bill that can be

presented for the people in this province. That's what we need in this House.

**AN HON. MEMBER:** (Inaudible.)

**L. PARROTT:** If you've got something to say, the Minister of Municipal Affairs, stand up and say it.

Anyhow, listen; nobody is questioning the bill, not one person. I would like for someone to stand up and explain why it's a bad amendment. Not that you can't support it. Nobody is questioning the investment scheme, as the minister just said. Nobody is questioning the materiality, as the minister just said. We are questioning how this money is spent before it leaves the coffers.

We're saying it should come back to this House for debate, and it should. It's pretty simple. It shouldn't be an announcement and then come back in. It should be debated. Because if it's exceptional circumstances, the people of Newfoundland and Labrador deserve to be represented. If it's exceptional, this House should be open. We've already gone through too many circumstances here where we've had exceptional circumstances and we sat at home. Now, I have nothing else to say, but I can't believe that you guys can't support this.

**SOME HON. MEMBERS:** Hear, hear!

**CHAIR:** The Chair recognizes the hon. Member for St. John's Centre.

**J. DINN:** Well, we've got our answer. The answer to the question: Can I be trusted? In every page here, in looking at this, I had the word "transparency." Now, I'll take a page from the International Space Station, there are redundancies of systems. They don't have just one system to deal with to make sure that the oxygen is flowing. There's one, two, three, four. What is the problem with having a redundancy of issues that protect transparency?

In the end, here is the thing, if it comes back to the House of Assembly, government with its majority will get its way anyway, as they will tonight on each and every amendment that comes forward. The only thing is that it will come to the House of Assembly so that all people, all Members who represent the people of this province have a chance to have their say on that, and for government to justify what indeed is an extraordinary situation.

Now, since sitting here in this House of Assembly, I've seen clear examples of where we have clear regulations, yet how government will try to find a way to get around them. So excuse me if I'm just not simply going to take their word for it. I'm put here – I'm in this role to ask questions, to be skeptical and maybe to be a little bit cynical.

But if there are standards around the definition of materiality, then you should be able to justify it here. You should be able to ask the questions that the Opposition will raise and, in the end, whether you agree with us or not, government will still vote the way it's going to vote and defeat whatever we put forward. That's the sad part.

To me, I hear oh yeah, we're going to collaborate or the accusation about the Opposition is negativity, yet here is what, to me, is a reasonable motion. Now, I have every reason I guess – I could look at never the NDP and the PCs will meet, but it's a good motion. It's a good amendment. It makes sense. It appeals to what a lot of the people in my district want to hear. It appeals to the people of the province. It certainly appeals to my thing about being transparent, of owning up to it, put it on the table.

So I guess if anything else, I was looking for something that would allow me to say we're going to go ahead and we'll support this. If I thought for a minute that government had one iota of interest in actually having that fulsome, transparent debate, we'd see it here, but we didn't. Carte blanche, no – and

I would assume for the rest of this evening that every other amendment is going to be shot down. Not because it's reasonable, but maybe it's because it didn't come up in the discussions within their Cabinet. They didn't come forward with the idea. I don't know what the reason is, but to me, this is a resolution that makes sense that, in the end, will not impede the decision-making, maybe prolong it, but hopefully the prolongation of it will be about looking at the necessity and the justification.

So supporting this would have given me a little bit of faith, but hearing the outright refusal to even consider it – sorry.

**SOME HON. MEMBERS:** Hear, hear!

**CHAIR:** The Chair recognizes the hon. the Minister of Justice and Public Safety.

**J. HOGAN:** Thank you, Chair.

What I'm hearing is that you don't like the fact that we're going to vote against this and you just say, well, because you're doing it, we're not listening. Well, that's not true. We are listening. Do you want an answer about why I won't support this? I'll tell you why I won't support it. It's not how government works. You might not like that but that is how government has worked in this country and a lot of democracies throughout the world.

I'm not going to be a Member who decides to change it, to give power where it doesn't belong because it's not how we're structured. It's just not how it works and the Justice critic can laugh if she wants. She can laugh. She can laugh but this is serious.

**SOME HON. MEMBERS:** Oh, oh!

**CHAIR:** Order, please.

I'd like to hear the speaker.

**J. HOGAN:** This is serious and you can stand up over there –

**SOME HON. MEMBERS:** Oh, oh!

**CHAIR:** Order, please!

I ask the minister to take his seat.

Order, please!

I'm interested in hearing the speaker.

Thank you.

The Chair recognizes the hon. the Minister of Justice and Public Safety.

**J. HOGAN:** It's nice to hear you say that, because the other side said we weren't going to give a response about why we weren't going to support it. I'm trying to give it. They don't care. They think it's funny. They think this is funny.

This is a serious piece of legislation called the Future Fund to protect our next generations because that's what we should do, that's what we're obligated to do and partly because we have to fix mistakes of the past because money wasn't spent properly. Well, do you know what? Money is going to be spent properly from now on.

So back to why we shouldn't do it and why we can't do it. I would probably argue that it's unconstitutional to do this amendment. The Executive Branch of government, whether you like it or not, is responsible for delivering programs and services to the population of this province.

I can't wait to hear the knock-knock joke that the Justice critic has over there because she hasn't stopped laughing since I stood up.

To deliver services: how do you deliver services? You spend money. What does this Future Fund allow us to do? It allows us to spend money in extraordinary circumstances. What do you think we're spending money on? Services delivered to the population of this province. That is the

function of the Executive Branch of government. This government and every province in this country and this country has an Executive Branch that operates the same way that we're going to operate here.

Our job in here as legislators is the Legislative Branch of government and it's to make laws and to amend laws and to discuss laws and to make these rules that we're going to follow as an Executive Branch and as a people. We have a third branch, the Judicial Branch, and if we do anything improper, or the next Cabinet does anything improper that's not in line with the Future Fund, the Judicial Branch can tell us that it was wrong.

Very simple, three branches that we have to follow and if we change this legislation to add that amendment we are taking away from the Executive Branch of government. We can't do that, that's not how the system works.

You can say over there that we're not listening, you can say over there that we're going to turn down every amendment just because we're turning it down and we want to get our way. Give me a break. I've got better things to do with my time than just sitting here and turn things down just because I want to win.

**AN HON. MEMBER:** (Inaudible.)

**J. HOGAN:** Pardon me?

**AN HON. MEMBER:** (Inaudible.)

**J. HOGAN:** I have better things to do –

**SOME HON. MEMBERS:** Oh, oh!

**CHAIR:** Order, please!

**J. HOGAN:** – than turn things down for the sake of turning them down.

**SOME HON. MEMBERS:** Oh, oh!

**CHAIR:** Order, please!

**J. HOGAN:** But the most important thing I have to do as minister and as a Member of this House is to pass legislation that I think is going to help the people of this province now and for the future.

Again, if you want to listen to the answer why we're not going to support the amendment, you can, you don't have to. I know someone doesn't want to.

**AN HON. MEMBER:** (Inaudible.)

**J. HOGAN:** I only hear one Member talking.

**AN HON. MEMBER:** (Inaudible.)

**CHAIR:** I'm only interested in hearing the person who's speaking.

**J. HOGAN:** But that's the answer.

**CHAIR:** The minister's been recognized to speak.

**J. HOGAN:** Now, I'd be happy to hear, if we're in debate, the other side of that argument that I've put forward here now of why we shouldn't follow the rules of the Executive Branch, the Judicial Branch and the Legislative Branch. Because if there's another government that exists in this province that I'm not aware of, have at it.

**SOME HON. MEMBERS:** Hear, hear!

**CHAIR:** The Chair is recognizing the Acting Leader of the Official Opposition.

**B. PETTEN:** Thank you, Mr. Chair.

I didn't anticipate getting up any more tonight. I thought that my colleague for Stephenville - Port au Port was going to carry on the rest of the evening and he's done a great job. But when I sit here in my place and I try to listen to the debate, and I've listened to all of this today, then I get lectured. The Minister of Justice has

lectured the House. He just gave us a lecture on how this place runs.

I mean, from what he just said there then, I think we can just clean out our desks and pack up and move on. There's no role here for anyone over here. He's the 20-year veteran in this House. He's lecturing to all of us. We should all pack up and go on. Outside of the Minister of Health –

**SOME HON. MEMBERS:** Oh, oh!

**CHAIR:** Order, please!

**B. PETTEN:** – and the Members for Humber - Bay of Islands and Mount Pearl - Southlands, he knows more than anyone else here.

What are we here for? We brought in an amendment that I think is a good amendment. It's what we should be striving for: transparency and accountability. That's what we're all striving for. It was ruled in order but government is not supporting it. That's their prerogative. But to look at us and be offended because someone over here is laughing.

There's no one over here laughing. It's exasperation. It's frustration. We're here; we're trying to make stuff better. We're all collectively agreed with a Future Fund. By asking what we asked in an amendment, I think that's a fair question, that's a fair point. You put extraordinary measures in there, why can't you have this come back to the House? If it's extraordinary, it should be debated in this House.

Every spring we do a budget. So if I'm going to listen to the Minister of Justice, why bother? Let us know what the amount is. You've got \$9 billion to spend a year, best kind. Let us know what you spend in each department and we'll go home. Let us know next year how much more money you need. We're not needed here. That's if you take what the Minister of Justice is saying. Of course, we're not buying that and no more

are the districts that we represent or the people who we represent are buying it.

People are getting tired, Mr. Chair. They're tired of this attitude. So he got better things to be at, and he starts flicking his paper and that. That's offensive to everyone on this side. Not on your side, that's your own prerogative. I take offence to it and everyone else over here do, too, Mr. Chair – everybody.

**SOME HON. MEMBERS:** Hear, hear!

**B. PETTEN:** It's not cool.

Listen, I can debate, I can take the punch with the best of them. I have no problem; I love back and forth. I don't like being lectured to and talking to and demeaned in this House of Assembly by anybody, no matter what side of the House they're on.

We have a role to play on this side of the House. We're going to play that role. We're going to continue to do what we're going to do. We're going to bring in amendments. We're going to debate. We're going to make better legislation. We will make no apologies for holding government to account on what matters to the people of this province. It's a Future Fund. Well, let's debate it. We don't agree with what you're bringing in, we've got the right to debate.

Minister, if we offend you, if you've got better things to be at, well feel free to go on. You're on your own. We're here to debate. If we're taking up your time, go elsewhere. We can still carry on and do what got to be done for the people of the province.

Yeah, do you know what? I'm not mad. I'm frustrated and I'm offended. Someone get up in this House of Assembly and talk to us like we're nothing. We're not nothing. We stand for a lot of people in this province and we're going to continue to do that.

**SOME HON. MEMBERS:** Hear, hear!

**CHAIR:** The Chair recognizes the hon. the Member for Topsail - Paradise.

**P. DINN:** Thank you, Mr. Chair.

Let's just be clear on this: regardless of what lecture the Minister of Justice gave us on the three branches of government, the fact remains that this amendment was ruled in order.

**SOME HON. MEMBERS:** Hear, hear!

**P. DINN:** This amendment was ruled in order, regardless of what the Minister of Justice said. Ruled in order. All it does is make this stronger. So all –

**SOME HON. MEMBERS:** Oh, oh!

**CHAIR:** Order, please!

**P. DINN:** Everything that was said was great grandstanding. All wonderful stuff. But keep in mind, this was ruled in order. This was ruled in order and the Members across can talk about you got schooled, which I understand not too long ago someone got up on a point of order on that. We didn't, we're staying down. We'll take the crap. We'll take the crap from you.

But the fact of the matter is this was ruled in order, so argue that.

**CHAIR:** The Chair recognizes the hon. Member for Humber - Bay of Islands.

**E. JOYCE:** Thank you, Mr. Chair.

I just happened to be outside and I was watching the debate a bit there. I almost couldn't believe my ears, saying we're the government and we're going to do whatever we want to do here and the amendment was brought in – I was saying to myself, holy jumpin', the last time I saw that was in Russia or China somewhere.

**SOME HON. MEMBERS:** Hear, hear!



**E. JOYCE:** I've been in the Legislature and a lot of governments would actually ask do you want to make it stronger, make the bill stronger, put amendments in. Jeepers, we asked to do that. If you think it's going to make it stronger, put it in, and we'll vote for it. That was done on a regular basis.

You could see, Mr. Chair, about the attitude. I faced it today with the cataracts in Western Newfoundland: Yeah, we know there's a wait-list, but we're not going to do it. So it's all right – we'll get it done in St. John's but we're not going to do it in Corner Brook. Let them come to St. John's – the attitude. The actual attitude to stand up here and say oh, we're going to do it anyway; we're the government.

What's wrong, Mr. Chair – and I ask anybody who's listening – with taking a bill and saying before you can make any changes to it and before you can do any spending, bring it back to this Legislature? Any other place in the world would say that's democracy. That's how it works. But here, we're going to do it anyway, no matter what it's like. I'm missing something here. Mr. Chair, this is important. This here is very, very, very important.

I'll just say – this is a bit personal and I don't mind; I have broad shoulders. I had a lot of good scrums in all this here, but the attitude is just not one or two Members; it comes from the Premier. When the Premier gets on NTV and says, oh, Eddie Joyce has a lot of complaints; I don't listen to him. So he doesn't listen about the seniors who need cataract surgery. He doesn't listen to the wait-list. He doesn't listen to emergency surgeries. That's the kind of money, Mr. Chair, that they can take, that we could use for cataracts, that they can say no, we want to spend it somewhere else.

So this bill here and the amendment that was made is to ensure that it was brought back to this House so whatever it's used for, it's proper and we can debate it. So you can't say oh, we think it's an emergency.

What do you classify as an emergency? The pandemic was an emergency. That was a good move to bring in and do it that way through the budget and ask for 60 to 90 days. That's good, for Interim Supply. But who deems it is an emergency? Who deems that? Who deems how much we need for the emergency? Where does that come from?

This is why the amendment – and when I was watching that outside and just sitting back and watching and I saw that, I said there's something wrong. Every person here on both sides, independents, the Third Party, the government, everybody knocked on doors, everybody listens to their constituents' views and every constituent has a view on most topics because they are educated. They are actually educated. They want to, because it's going to affect them, going to affect their communities. So all of a sudden now they're saying it doesn't matter what anybody does here. I can assure you one thing, if that attitude is with Cabinet, the backbenchers don't have much to say either. I can assure you of that. They're told to put up their hand also, which is sad.

Mr. Chair, I'm going to support that amendment because there's nothing wrong with bringing it back to the people's place. This is the people's place. This is where things should be debated. This is where things should be brought back – if we're looking for some funding that you have eight, 10, 12 or 15 people saying that we're going to declare what's an emergency, we're going to declare how much we can take out of the fund, we're going to declare how we're going to spend it, how long we're going to spend it, it's something wrong – something wrong. And if there's nothing to hide on it, bring it back to the House.

This is for this government now. This could be another government eight, 10 years down the road. It could be another government. It could be back and forth, who knows when it could be. But this is protection not for the governing party; this is

protection for the people of Newfoundland and Labrador.

We heard in this House on numerous occasions, talking about Muskrat Falls, we should've had better oversight. What better oversight can you have than bringing it back to this Legislature? What better oversight? You can't get any better oversight.

So I'm sorry to have to jump and say I'm elected, I feel I should have a say in this House. You might not listen to me. You might say forget it, you might have your final say, but the people who elected me from the Humber - Bay of Islands area are going to have their say in this House. I'm speaking on behalf of my colleague for Mount Pearl - Southlands. We're going to have our say. You might rule and say no, go away. That's possible, but I'm going to have my say.

I'm going to have my say about the cataracts, too. There's a lot more to this yet. This is why this Legislature is so important to keep open. There's a lot more to it, trust me. Trust me on that, Mr. Chair. There's a lot more to it. I can assure you, it's going to come out. So I'm going to sit down now, Mr. Chair. I'm going to support it because if we're going to deal with millions and probably hundreds of millions of dollars in a fund, we've got to make sure that it's brought back to this Legislature to have a vote on.

I'm going to support the amendment, especially where the amendment is in order. This is democracy. This is total democracy that you bring in to make something stronger. How many times do you hear that in this Legislature? Let's make the bill stronger. Let's make it ironclad. That's what this amendment would do, but for some reason, it's a bad thing to do.

So I'll take my seat for now. I'm sure I'll have another opportunity in the next little while to have another little speech, but I just had to stand up for democracy and stand up for the people of Humber - Bay of Islands to

say no one is going to keep me quiet, and I speak for the Member for Mount Pearl - Southlands.

I can tell you, the attitude that I see, the Third Party and the PC Opposition, they're going to stand up also and speak for what they think is right for their constituents, because this Legislature is all about to stand for the people who elected you and not be pushed down, Mr. Chair. This is Newfoundland and Labrador. This is not China; this is not Russia. This is Newfoundland and Labrador where this is the people's House, and these people here are all open to have their own words on behalf of the constituents that elected them.

Thank you, Mr. Chair.

**CHAIR:** The Chair recognizes the hon. the Member for Torngat Mountains.

**L. EVANS:** Thank you.

Just looking at the amendment now: extraordinary circumstance for it to come back to the House of Assembly to be debated. The rationale has a lot to do with transparency. That's what I've heard. Also talking about for us to be able to ask questions around this materiality. But most important, when it comes to the House, answers have to be given and there has to be acknowledgement of the questions and answers. It basically adds to transparency. So that's why I would support this amendment.

Now if there was laughter in this House when the Minister of Justice and Public Safety was speaking, it wasn't because we thought it was funny. If there was any laughter, I think it was kind of almost like a knee-jerk reaction.

**AN HON. MEMBER:** A nervous laugh.

**L. EVANS:** There was nothing nervous about it. In actual fact, to hear the Minister of Justice question why should we give

power where it doesn't belong? Where it doesn't belong, in the House of Assembly having a public debate so that people can actually get answers. So we can be reassured, so there can be transparency. But do you know something? With an attitude like that, there's no place in this House of Assembly for that.

**SOME HON. MEMBERS:** Hear, hear!

**L. EVANS:** So, for me, I was thinking – I don't know if I can say my God in this House of Assembly but it came to my mind, my God, you would be ruled out of order if it wasn't allowed, yet he stood up there and some people said he lectured us. He lectured us like schoolchildren, but do you know something? It wasn't a lecture. What I saw was pompous grandstanding and when you look up what that means it talks about exaggerated self-importance. Because do you want to know something? If we were to be lectured on proposing this amendment, we would have had the answer by it being ruled out of order. But it wasn't ruled out of order.

**SOME HON. MEMBERS:** Hear, hear!

**L. EVANS:** I got to say I was very, very pleased when the Member for Topsail - Paradise stood up and said it was ruled in order. That's our point.

Do you know something? We, over here, in the Opposition, the Official Opposition raised the point. They said that we have an obligation as elected people representing our constituents to question, especially when it comes to the public purse, the spending of the money. Right now, what I look at is this amendment is about transparency. It really is and I am going to support it.

We on this side here, we're doing our jobs and I've got to say that being lectured on an amendment that was ruled in order – relay, honestly, seriously.

**SOME HON. MEMBERS:** Hear, hear!

**CHAIR:** The Chair recognizes the hon. the Minister of Justice and Public Safety.

**J. HOGAN:** Thanks, Chair.

I guess I'm just going to try this again because what I said was sometimes words are taken out of context. I didn't say I have better things to do. I said I had better things to do than say no for the sake of saying no, i.e. I'm happy to stand here and debate this –

**AN HON. MEMBER:** (Inaudible.)

**CHAIR:** Order, please!

I am interested in hearing the minister only.

Thank you.

The Chair recognizes the hon. the Minister of Justice and Public Safety.

**J. HOGAN:** So what I said was I didn't say I had better things to do, in general. I had better things to do than to say no for the sake of saying no, which means I wanted to hear what people had to say, wanted to debate it and I wanted to stand up and tell you what I thought of the amendment. I think we should vote it down because of the reasons I said. That's debate.

So I hear on the other side, well, we need to debate things. We need to be allowed to debate things. No one over here is saying we're not allowed to debate things. The whole reason I stood up was to give my point of view on the debate. I'm not sure where the arguments are coming from about: well, it's in order. Yeah, I know it's in order. That's why I stood up to give my comments and my position on why we should vote it down.

**AN HON. MEMBER:** (Inaudible.)

**J. HOGAN:** I don't think it should be in order, but it is.

**SOME HON. MEMBERS:** Oh, oh!

**CHAIR:** Order, please!

**J. HOGAN:** It's like when I –

**CHAIR:** I'm controlling the debate here. I don't need questions going back and forth here. Everything is supposed to be coming through the Chair. That's the way it's going to happen. I'm going to try and control the debate as best I can. I'm interested in hearing the minister at this particular point in time.

**SOME HON. MEMBERS:** Hear, hear!

**CHAIR:** The Chair recognizes the hon. Minister of Justice and Public Safety.

**J. HOGAN:** So I did say I didn't think it was in order, but it is in order. It's like when you're a lawyer, you go to court, you make your argument for the judge, sometimes you win; sometimes you lose. When you lose you don't get to say well, no, I actually won.

It was in order and we're debating it and I wanted to stand up and give my view on the debate. Didn't say no one else should debate it. Didn't say we're not here to talk about it. Just said, here's my view on the system of government that we have and why I think we should vote down the amendment.

A few people stood up after that, only the Member for Torngat Mountains gave her opinion on what I think is the argument for and against this amendment. So we talked about being allowed to debate, but I didn't hear anyone counter my arguments, other than the Member for Torngat Mountains, about why I might be wrong on this particular issue, the issue I chose to stand up on behalf of my constituents to debate.

My point of view, my perspective, my arguments. I didn't say I'm not standing up because I think this isn't in order. I'm not saying I'm standing up and this is wrong. I'm not saying I'm standing up and no one should be allowed to stand up. I'm standing up and giving my point of view, my perspective on it, the same way all the other Members did.

**AN HON. MEMBER:** (Inaudible.)

**J. HOGAN:** What's that?

**AN HON. MEMBER:** Just say you're sorry.

**J. HOGAN:** I'm not saying I'm sorry. Sorry for what?

But we're not in other countries. We are in Canada; we are in a democracy. We are in a democracy that works with the Executive, the Legislative and the Judicial Branch and I think we need to respect that. That's my point of view on that and we'll see how the vote goes, but I stood up to tell you why I'm voting the way I vote.

**CHAIR:** The Chair recognizes the hon. Member for Grand Falls-Windsor - Buchans.

**C. TIBBS:** I only need a couple minutes, Chair.

Now I'm not some big city lawyer, but listen – I'm just joking – I'll tell you what I am. I'm a blue-collared family man that is more in touch with the people of this province than most people on that side and that's a fact.

**AN HON. MEMBER:** Go away with you b'y.

**C. TIBBS:** I guarantee you, Sir, I guarantee you.

**CHAIR:** Order, please!

**C. TIBBS:** That's exactly what I am.

**SOME HON. MEMBERS:** Oh, oh!

**CHAIR:** Order, please!

**C. TIBBS:** There are many reasons here, but I tell you what, this day is going to go down in history and it truly will, October 12, 2022. The reason for that is this: the amendment we put in is about transparency. I get the three levels of government that it has to go through, but we are the elected Members of Newfoundland and Labrador. And guess what? Over here we make up just over 40 per cent of the people of Newfoundland and Labrador that we represent. We have a say as well. So when you say no to this amendment, when you say that you do not want that decision brought back to this House, you're not saying no to us, we're only 17 people. What you're saying no to is just under half of the province which would like answers when that time comes and that's a fact.

So what this does, right now, and what it should do for the people of the province, if anybody is watching and when this is picked up tomorrow and next week, the people of the province should have way more questions after this past hour than they've gotten answers.

You want democracy; that would be democracy. There is nothing wrong, the Member for St. John's Centre said it best, if a decision comes back and for some reason we make the debate that we don't want that money spent in that general direction, the government can still vote for it, but the point of that matter is that it gets aired out. It gets talked about.

When I ran for politics, I ran because I was not happy with status quo. I get how it works, but I was very unhappy with status quo; it did not work for me. I wanted it to change. I wanted it to be more transparent. I wanted to change the system, I truly did. That amendment right there, there is nothing wrong with it, that gives this House the debate.

We have views, we may have suggestions and we may have ideas. Who knows, somebody from across the way might say, wow, what a great idea that was. We never thought about that when we were making this decision. But, unfortunately, if this amendment is dropped tonight, that is going to be stolen from the people of Newfoundland and Labrador, not from the Official Opposition.

Thank you, Chair.

**SOME HON. MEMBERS:** Hear, hear!

**CHAIR:** The Chair recognizes the hon. Minister of Children, Seniors and Social Development.

**J. ABBOTT:** Thank you, Chair.

Just a couple of comments. The Member for Stephenville - Port au Port referred to this as a friendly amendment. I guess from my reading of the legislation and the amendment, I saw it as redundant. I say that in the context of the discussion in this morning's session, near the end, I think when the Member for Mount Pearl - Southlands had asked the Minister of Finance to clarify some of the provisions of the legislation. If you can roll back to the minister's answers, and she did it very succinctly, and I don't think a lot of people were listening.

But with respect to this particular amendment, why, if you don't need the clause, i.e., for the approvals to come back to the House, is that any expenditure from the fund will go – the funds will leave the Future Fund, will come into the consolidated revenue fund, at which point a decision is made as to how those funds are expended as identified in the legislation proposed. The decisions around that are either going to be through the budget process and debated and discussed in Estimates and include the whole House or, as the minister indicated, if it's in subsequent to the budget, it would

come in as Supplementary Supply. Again, the House gets the vote on it.

So it's in that context that I see the proposed amendment as redundant. So I just ask people to reflect on that and just read back through those sections because it is spelled out there. Where that particular provision is suggested, I do believe, is inappropriate. Not the amendment per se, but where the wording is in any of it. So that's my two cents on that, Chair.

**CHAIR:** Thank you.

The Chair recognizes the Member for Stephenville - Port au Port.

**T. WAKEHAM:** Thank you, Chair.

I didn't realize that such an amendment that would ask for debate to come back to the House of Assembly to be debated would cause such a ruckus. This is the people's House, and the last time I checked the idea of –

**AN HON. MEMBER:** (Inaudible.)

**T. WAKEHAM:** I don't know if that was a burn I heard or something else like that. I am not sure what that is.

Anyway, I appreciate that the Minister of Justice is technically correct for the position that they have taken. Let's acknowledge that. He's technically correct for the position they have taken. I think he went a little bit in lecturing but, at the same time, we are creating new legislation. As the minister has just spoken to, budgets come into the House all the time to be debated.

I do not see the negativity of this amendment causing negativity when we're actually talking about bringing something back to the House of Assembly. Any time you could bring something back to the House of Assembly for debate and discussion should be a good thing. I think

we should welcome that, because as we've all heard –

**SOME HON. MEMBERS:** Hear, hear!

**T. WAKEHAM:** We've heard lots of challenges over the years and the Members opposite have reminded us several times about the lack of debate around certain projects that happened or should have happened that debate wasn't there. So I think when we have an opportunity to amend something that is in order – because if it wasn't in order, I wouldn't be standing up here right now; we'd be moving on. But it was ruled in order; therefore, it is possible for this amendment to be made.

So again, I would simply say that I think it talks about transparency and any time you can bring something back to the House of Assembly, it's a good thing.

**SOME HON. MEMBERS:** Hear, hear!

**CHAIR:** The Chair recognizes the hon. the Minister of Immigration, Population Growth and Skills.

**G. BYRNE:** Thank you very much, Mr. Chair.

Tonight in the proceedings we've heard significant hyperbole. Generally speaking it is crafted that when you use hyperbole, the extreme exaggeration to make a point, it means the position or the foundation of your point is very weak. Because when you have to use extreme exaggeration, then, of course, you don't have the very firmament of a solid, constructive, influential point of view.

Mr. Chair, I'll suggest to all Members, use of hyperbole should be limited because it's not a constructive element of good debate. I would argue that it lessens our Chamber. I would be particularly aware and cognizant of the hyperbole of using comparisons of this Chamber to the legislative structures of China and Russia. This is not constructive.

If we need to understand the dangers of comparing our democracy to the legislative structure of Russia, there are people today in our province that could give us very good wisdom and learned guidance on such malfeasance.

**SOME HON. MEMBERS:** Hear, hear!

**G. BYRNE:** Mr. Chair, the Member for Grand Falls-Windsor - Buchans, who I paid attention to the debate, he uses the statistical representation as the constitution of his construction of the House to make the argument that 40 per cent must be heard. But, in that particular construction, what he argues conversely is that 40 per cent of the House should be able to influence or should guide the decisions of the 60 per cent of the House.

So, Mr. Chair, in terms of the influence that is offered, on the basis of hyperbole or on the foundations of hyperbole, we have, as a definition of debate – this includes a formal discussion of a persuasive argument. Mr. Chair, what we have engaged in tonight for one hour and 33 minutes has been anything but a debate of persuasive argument. It has been about a process.

The discussion or the words that have been uttered on the floor thus far, by the 40 per cent trying to influence the 60 per cent, has not been on the substance of what is supposedly being discussed. It's on the process that because it was in order, therefore, the 40 per cent's point of view is valid or should be adhered to, to the exclusion of the 60 per cent. That's not a debate and that's not democracy.

The point, Mr. Chair, is that democracy is an institution that should rise above hyperbole. It should rise above all matters which would be uncharacteristic and unseemly for this Chamber. So while we are always influenced by the sound construction of alternative points of view, let us be clear with each other that for the last hour and 35 minutes, this has not been a debate or a

discussion about an idea or a counter point of view. It has been simply on the assertion that there's an offence being taken that the 60 per cent is not accepting the point of view of the 40 per cent. That, Mr. Chair, is not democracy.

Perhaps if I could make this my prayer of my petition, is that for the rest of the duration of tonight's sitting of the House, why don't we all try to persuade each other on the precision of the argument before us? I think we will all be much better off because that's exactly what this side of the House will be doing.

Thank you very much, Mr. Chair.

**CHAIR:** The Chair recognizes the Member for Mount Pearl - Southlands.

**P. LANE:** I want to thank the minister for moving us away from hyperbole and inter rhetoric.

**SOME HON. MEMBERS:** Oh, oh!

**SOME HON. MEMBERS:** Hear, hear!

**P. LANE:** Mr. Chair, I just have a couple of points I wanted to respond to.

**CHAIR:** Order, please!

**P. LANE:** I have a couple of points I just wanted to sort of address that have been raised. First of all, on the 40 per cent that the Member just talked about and the Member from Grand Falls-Windsor talked about, this 40 per cent versus 60 per cent assumes that all of the people that would be elected on that side, that all of their constituents would agree with their stand.

I would say that the majority of Newfoundlanders and Labradorians, regardless of what districts they represent, regardless who their Member is, I feel that most people would think that it would be a reasonable decision to bring this matter before the House before we start spending

hundreds of millions or tens of millions or billions of dollars of the Future Fund. So I want to make that point.

The Minister of Children, Seniors and Social Development talked about the budget process. I just want to reiterate a point I made earlier. Perhaps he never heard it. I understand, I say to the minister, your point about the budget, but again, to go back to my point of view on the budget process, if there was deemed to be an extraordinary circumstance, it's a very different scenario to have that come before the House as a stand-alone issue that we could all debate on versus just having it inserted somewhere in a budget document that would have to be teased out at some point in time during Estimates, whatever, for everyone to figure out what's even on the go, why it's being done, and then the budget itself only has so many hours of debate that you're debating other parts of the budget.

So it would not be a stand-alone debate. It would not be given the same amount of time and opportunity and consistency to have a debate over that particular expenditure than you would have if it came before as a separate issue. That's my concern. That's my point of view. So I just wanted to put that out there.

It gets lost in the budget. It's just one item of – plus, the fact if I agreed with the budget, but I disagreed with that, now I'm in the conundrum of am I going to vote for the budget or I'm going to vote for that particular decision. Because you can't go both ways. We can't say I want to vote in favour of this part of the budget and against that part of the budget.

So I think it just makes a lot more sense, more openness and transparency, to have it as a stand-alone, to come before the House. I don't understand why we would be against doing that.

I also want to address comments made by the Minister of Justice when he said, b'ys,

like it or not, that's the system. That his point of view. I respect his point of view. He's entitled to it the same as I am, but I would say and agree with the Member for Grand Falls-Windsor that to simply say that's the system – why can't we change the system? How many times have I heard that since I've been elected: That's the way it's always been done and that's the way it works.

Look at the way things have been done over the years. Look at where we are now as a province financially and everything else, using the same old system tried and true. We're not in really great shape, as a province. So what is wrong with changing the system? What is wrong with deviating from the status quo? Why do we always have to say, b'y, that's the way it's done and that's the way we've always done it? I don't care how it's been done. If it's not working, do something different. If we can improve it, let's improve it. Why do we continue to do the same things over and over again because of tradition, or that's just the way it is?

We can't be willing to accept that's the way it is. I mean, if that's what we're going to do and we're not going to have proper debate on things and this House is not going to have any power to decide anything or to have any influence on anything, sure, it's just as well for all of us to pack 'er up and go home out of it. Just like in some country where you have a dictator or a king or a queen or whatever that's just in control, they'll just announce to the peasants what they're going to get and what they're not going to get and the way it's going to be and you will all move on and just put up with it. That's the alternative. My God, is that what we want for this province? It is not what I want for this province.

Again, I'm trying to stick to – because the minister did talk about the fact that we're not actually debating the issue itself. But I am debating the issue itself. The issue right now, this clause, this amendment, is about



the fact that instead of the government deciding – albeit there are standards in place. There are accounting standards and principles and the Auditor General, all that good stuff, but even though all that's in place, the government is still going to determine, with parameters, what is an extraordinary circumstance that they are going to decide. Not only are they going to decide it's an extraordinary circumstance, they are going to decide how much money comes out of the fund to deal with that extraordinary circumstance.

The House of Assembly has no say. We give them total power to do it, with no debate in this House of Assembly. That is the issue. Why we would not want to bring it before the House of Assembly, it's mind-boggling. I just don't get it. What is the harm? It's very easy to call a session of the House of Assembly. Call an emergency session if you need to. Have a debate within a day or a couple of days, it's done and it's approved. If it's that necessary, it'll be approved in hours.

I don't get it. It doesn't make any sense not to go down this road, other than the fact of this principle in the back of your mind that some Members might have – the Minister of Justice does – that we're the government and we're going to do whatever we want to do, and you guys can just go along with it, too bad. If you want to make decisions, you form government next time and you do what you want. That's what it comes down to. It's like a big power struggle or something. That's not working for the people. It doesn't work for democracy.

So again, I implore the Members on the other side: think about what we're proposing here. It makes good sense. We're not taking away from the ability to have a Future Fund. We're not taking away from the ability for the government to use that sliding scale that they're talking about to put money into the Future Fund. And we're not stopping from the government when we have an extraordinary circumstance from taking

money from the fund, if it makes sense. All we're saying is that you get approval in the House of Assembly first. I don't understand why anybody would be against that.

Anyway, I have had my say over and over and I guess that'll be it on this amendment. I'll have more to say on the future amendments that are coming, I think. But again, I have got to say to the minister, to the government, just think about it. What is the downside? What is the downside to you in agreeing with this amendment that brings it before the House of Assembly? I don't see a downside. If there was some downside that I'm missing, other than what the minister said that it is just the way it is – it is the Legislative Branch, we're in charge and that is the way it is. Other than that argument, is there something else that, on this side of the House, we are missing?

Give me a scenario, paint me a scenario, a hypothetical where bringing it to the House of Assembly is a bad idea. One example – if you can paint an example for me that makes sense, I'll agree with you. But I can't think of one; I don't think you can either.

Anyway, with that said, Mr. Chair, I'm done on this particular amendment.

**SOME HON. MEMBERS:** Hear, hear!

**CHAIR:** Thank you.

I next call on the Minister of Finance and President of Treasury Board.

**S. COADY:** Thank you, Chair, for the opportunity to speak on this.

As the Minister of Immigration, Population Growth and Skills said, focusing on meaningful debate and really trying to help advance the discussion here today, I will say that the whole idea here is this would be a very extraordinary circumstance, a highly extraordinary circumstance. I will say that there are standards around what defines an extraordinary circumstances. They are not

my standards. They are the standards set by accounting rules. I read repeated the Canadian auditing standard requirement for meeting the test of what would be an extraordinary circumstance.

I will say the Future Fund does not, in any way, change the rules of the way government can appropriate money. Certainly, I think if we were in an extraordinary circumstance, Members of a House of Assembly would be fully engaged and aware of that because it is indeed extraordinary. Therefore, all we're saying here is the appropriations, the roles of governments, the requirements of governments all exist. All we're defining here is what happens in an extraordinary circumstance.

I use the example of a pandemic. In the example of a pandemic, here's how we would flow. We would have to meet the definition, the standard requirements. Not my definition, not government's definition, but the accounting definition of materiality. Then, if we meet that definition, we may be able to utilize some of the funds that are held.

If you're in an emergency, this is how you access those funds. It would be, again, a very unusual circumstance.

I reflected on what the Minister of Immigration, Population Growth and Skills said, he said we spent an hour and a half on this issue.

This is a fairly simple issue because it will be extraordinary, unusual, not happening on a regular basis. There are rules around how you access the funds –

**SOME HON. MEMBERS:** Oh, oh!

**CHAIR (Trimper):** Order, please!

**S. COADY:** – should it be required. That's all. It's as simple as that.

Thank you.

**CHAIR:** Thank you.

I now call on the Member for St. John's Centre.

**J. DINN:** Thank you, Chair.

I'll pick up with what my colleague from Mount Pearl - Southlands said about doing things differently. The Minister of Justice and Public Safety has talked about – if I understood him correctly, Chair – the opposition to this amendment is that we aren't going to give power where it doesn't belong.

Now, I remember in 2019 when it was elected it was a minority government. What was interesting about that time was that under our laws, under the system, the government still had the power. But it's amazing how many times it would reach out to the Opposition. If it wasn't to us, it was to the Opposition. If it wasn't to either one of us, it was to the independents, to seek common ground to help get legislation passed. It's interesting, the number of, I guess you might say, compromises or the collaboration that took place. I believe we came out with better legislation.

I can think of a number of decisions here, offhand, and I won't repeat them, where, do you know what? There were decisions that government was going to make and it didn't because they knew that they weren't going to get the support of the Opposition.

**AN HON. MEMBER:** (Inaudible.)

**J. DINN:** Yes, that's one.

I also think that during COVID, and this is what I remember most, Chair, at that time, the three parties, the Leaders, met daily. There was input. I would assume that under the Executive, Legislative and Judicial that they would still be able to exercise their right, but in that instance they were able to

bring people together and they were able to reach across and realize that we need to involve everyone.

So we have precedent, I guess, for lack of a better word, that we have done things differently and that's what I firmly believe is what this amendment is speaking to. Because in the end, other than, I guess, the question asked, what is the downside here, other than requiring the Lieutenant-Governor in Council, that they do not have – what I can see here is that they do not have the ability to just make the decision without it first being questioned, but, in the end, the decision is going to be made. The decision will be done. Unless, of course, in the governing party's ranks, there's enough dissent that it doesn't, but for the most part the vote will always go the way it is.

So the Minister of Finance has talked about meaningful debate, and we're focusing on the wording of extraordinary, very extraordinary circumstances, of highly extraordinary circumstances, that there's an accounting definition for that and, if indeed it were extraordinary, that the House of Assembly would be engaged in that situation anyway, and I would agree.

So if that's the case, then let's put it into legislation right here, right now. In the end, I would say there's little chance of this House overturning any decision anticipated in (d) because in the end the ruling party, if it has a majority, is going to get its way anyway. It's as simple as that.

To me, it would certainly be a restoration of my faith in the process here of maybe harkening back to a not-so-distant time when we actually did reach out, or the ruling party did reach out, and it did try to make an effort to, okay, where do we stand on this. That's what I think makes for a strong democracy.

If it comes down to that, this is the way other jurisdictions do it. Fair enough. Then let's be trailblazers and let's have an

opportunity to do something different here and to have that debate. If there's a decision that needs to be made, let's make that decision, let's not wait until the budget process to discuss it and so on and so forth. If it has to be made, let's do it at that point in time. But let's be open, let's be honest and let's have the fulsome debate.

In the end, I guess the one futility here in a majority government is there is absolutely no chance of the Opposition convincing government to do otherwise anyway. But I think here, let's have the debate, put it into legislation, if we're assuming that the House of Assembly would be engaged in an extraordinary situation, let's go one-step further, approve this amendment and let's get on with it.

Thank you.

**SOME HON. MEMBERS:** Hear, hear!

**CHAIR:** Seeing no further speakers, is it the pleasure of the Committee to adopt the amendment?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

**SOME HON. MEMBERS:** Nay.

**AN HON. MEMBER:** Division.

**CHAIR:** Division has been called.

I ask the Party Leaders, please, to call in your Members.

### **Division**

**CHAIR:** Are the House Leaders ready?

Order, please!

All those in favour of the amendment, I ask you to please rise.

**CLERK:** Barry Petten, Helen Conway Ottenheimer, Paul Dinn, Lloyd Parrott, Tony Wakeham, Jeff Dwyer, Pleaman Forsey, Loyola O'Driscoll, Craig Pardy, Chris Tibbs, James Dinn, Jordan Brown, Lela Evans, Eddie Joyce, Paul Lane.

**CHAIR:** All those against the amendment, I ask you to please rise.

**CLERK:** Lisa Dempster, John Haggie, Gerry Byrne, Bernard Davis, Tom Osborne, Siobhan Coady, Pam Parsons, Elvis Loveless, Krista Lynn Howell, Andrew Parsons, John Hogan, Sarah Stoodley, Derrick Bragg, John Abbott, Brian Warr, Paul Pike, Sherry Gambin-Walsh, Scott Reid.

**CHAIR:** As a result of the decision, the amendment has not passed. It is rejected.

On motion, amendment defeated.

**CHAIR:** Debate continues on the main motion.

**CLERK (Barnes):** Clause 2.

**CHAIR:** Shall clause 2 carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Clause 2 is carried.

On motion, clause 2 carried.

**CLERK:** Clause 3.

**CHAIR:** Shall clause 3 carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Clause 3 is carried.

On motion, clause 3 carried.

**CLERK:** Clause 4.

**CHAIR:** Shall clause 4 carry?

The Chair recognizes the hon. Member for Labrador West.

**J. BROWN:** Thank you, Chair.

I just want to briefly speak to this. We talked earlier about the Crown assets. So I have an amendment to that as well.

**SOME HON. MEMBERS:** Oh, oh!

**CHAIR:** Order, please!

Can I hear the Member for Labrador West?

Thank you.

**J. BROWN:** Thank you.

I'd like to move an amendment, seconded by my colleague from St. John's Centre. I move the following amendment: That paragraph 4(2)(a) of the amendment be deleted and the following substituted: (b) that no net proceeds from the sale of any Crown asset or group of Crown assets shall be deposited to the fund.

Thank you.

**CHAIR:** Thank you.

The Committee will recess to consider the said amendment.

Thank you.

### **Recess**

**CHAIR:** Are the House Leaders ready?

Order, please!

We have a new verb for the House to think about today, and it's called negativing the intent of the clause. That is the ruling of this Committee; therefore, we rule it as not in order.

I ask the Member for Labrador West if he wishes to continue with his time indicated.

**J. BROWN:** Thank you.

It's disappointing to see that was negativing the clause.

**CHAIR:** The intent of the clause.

**J. BROWN:** That's too bad, but at the same time, I think that the intent I wanted to make and the point to make is that yes, we're creating a Future Fund. It's a future thing, but padding it with the selling off of our Crown assets and corporations and things like that is not a good thing. It's not good, especially if you're creating a Future Fund, when you're taking away from the future that these assets actually bring to this province.

So I do think that it should be removed, that clause, and I do implore government to maybe create their own amendment, seeing as they want to talk about it. But we should not have that, and because this can't be removed and won't be removed, that's why we will not support this Future Fund bill.

Thank you.

**CHAIR:** Thank you.

I now call on the Member for Stephenville - Port au Port.

**T. WAKEHAM:** Thank you, Chair.

I'd like to propose an amendment to clause 4. It's seconded by the Member for Bonavista. It's to move that Bill 5, An Act Respecting the Establishment of the Newfoundland and Labrador Future Fund, be amended at subsection 4(2) by adding

after the words "the fund," the words "in years of fiscal surplus."

**CHAIR:** Thank you to the Member.

The Committee will recess to consider the said amendment.

### Recess

**CHAIR:** Order, please!

Regarding the proposed amendment, it introduces a conditional context; therefore, it is changing the intention of this section. It adds a temporal nature to something that wasn't intended, so you're actually changing the core of the bill. So it is, therefore, not in order.

**CHAIR:** The hon. the Member for Stephenville - Port au Port to continue your remarks, please.

**T. WAKEHAM:** Thank you, Chair.

I am disappointed it is not in order but the concept here was that we would invest in the fund in years where we were running a fiscal surplus. I thought that was rather the way it would be because if you are running the deficit, it is kind of hard to basically invest in a fund, to borrow money –

**S. COADY:** Remember I talked to you about that, the spread.

**CHAIR:** Order, please!

**T. WAKEHAM:** Yeah, the spread – it's great if you can make more money by borrowing the money or make more money on interest than you can by borrowing, that's great, but I don't believe that is always the case. But anyway, I would simply ask maybe the minister would want to make an amendment herself because I can't make it because it is ruled out of order. So I'll leave that there.

**SOME HON. MEMBERS:** Oh, oh

**CHAIR:** Order, please!

Let's have some order.

**T. WAKEHAM:** I would like to make an amendment to clause 4. I move that Bill 5, An Act Respecting the Establishment of the Newfoundland and Labrador Future Fund be amended at paragraph 4(2)(b) by deleting the words "in the previous fiscal year" and substituting the words, "averaged across the previous three fiscal years as determined in the regulations."

**SOME HON. MEMBERS:** Hear, hear

**CHAIR:** Thank you.

To the Member, the Committee will now recess to consider the proposed amendment.

### Recess

**CHAIR:** Order, please!

The Committee have reviewed the proposed amendment by the Member for Stephenville - Port au Port and finds that the amendment is in order.

Well done.

The hon. the Member for Stephenville - Port au Port.

**T. WAKEHAM:** Thank you, Chair.

Again, all of these are not meant to handcuff government's ability to manage this fund. They're actually meant to try to enhance, if you will, the process. I realize that perhaps they have a different interpretation of that, but that's fine.

Again, this particular motion or amendment is a concern – and the minister, I'm sure, will speak to it – but in a year like this fiscal year where we have a surplus because of high oil prices, we would have – based on the legislation as I read it, it says the

previous fiscal year – the amount we put into the fund would be based on this fiscal year for next fiscal year. If next fiscal year the price of oil drops big time and we find ourselves with a huge deficit projected, are we still obligated by this legislation to actually borrow money to put into the fund?

That was the reason for the three-year average, trying to understand that when you have one year where you're way up and another year where you're way down, do you actually wind up having to borrow money to put in because of the previous year? We were looking at if you took an average of three years, then that would give you a better picture, that if you based what you were putting in every year on the three previous years, you would have a better opportunity to make the – it doesn't change what your percentage is or anything like that, it just gives you a little bit more flexibility in terms of the amount that you would put in.

That was the intent of this particular motion. It's in order from the Chair and the House of Assembly, whether it's in order with the Minister of Justice, I don't know. We'll wait to see what his comments are. But clearly that was the intent of this, is to try and protect that significant sway in expenditure that might happen or revenues that you might be receiving.

Again, other than that, that was the reason for it.

**SOME HON. MEMBERS:** Hear, hear!

**CHAIR:** Thank you.

The hon. the Minister of Finance and President of Treasury Board.

**S. COADY:** Thank you, Chair.

I appreciate the sincerity of the intent. There was a lot of discussion around how do you validate the number that you would put in the Future Fund every year and the best

means was through the Public Accounts. So in the fall of each year, we get the Public Accounts for the previous year, but that doesn't stop us from making instalments. In a budgetary process you would say, I'm expecting a billion dollars in royalties, so you would at least allocate and install that amount of money, and then it's validated by your Public Accounts in that next year.

So that's the mechanism to ensure that we're not just basing it on assumptions, we're actually validating the amounts so the House could be satisfied that we validated the amount that was required. So that is the intent of having it determined by the previous fiscal year.

I would also say to the Member that we do have in regulations, appreciating the sentiment, that in years where we're not receiving an awful lot of royalty revenues, you can appreciate that in those years there will be concern that we would not have the fiscal capability of making payments. For example, if we were down to \$250 million in royalties, that would be a very difficult environment for the province because, of course, on average our budget assumes between \$800 million and a billion dollars in revenues.

So that is why the regulations state, and that's why I tabled them, that we would only take 2 per cent, say, of the \$250 million. Whereas, in a year where we have very high revenues, we would take the maximum amount of 75 per cent, let's just say, in years that are \$2.5 billion, which we have had a couple of years where we reached that milestone. I think it's incredible that we reached that and we would have had a very robust plan by now if we were able to capture that.

So I say to the Member opposite, I appreciate the sentiment of averages, but I think that the whole idea here is that (a) you take into account those years where there's fluctuation by the regulations itself and by that tiered system. Secondly, that is a

validation mechanism, because you're going to want that as a House of Assembly, a validation mechanism and that is through Public Accounts.

The third thing is we would be making instalments – and you would see this – then in the Future Fund, so that we know what we would require in the fund based on projections. Then, as the year transpires and we move through the year, we would know how much we have to make into the fund and then that is verified and validated again by Public Accounts.

So, for that reason, I think the mechanism means by which we have put in place is very valid. Taking a three-year average I think is more problematic. I can't support the amendment, only because I think the mechanism we have allows for that instalment. It takes into account when we're in the low-earning period and doesn't make us put the funds in.

I can tell you that I've checked again with my officials. They feel fairly confident in the mechanism that it is done, but I do appreciate the sentiment.

Thank you.

**CHAIR:** Any further speakers to the amendment?

Shall the amendment carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

**SOME HON. MEMBERS:** Nay.

**AN HON. MEMBER:** Division.

**CHAIR:** Division has been called.

Division

**CHAIR:** House Leaders are ready?

Order, please!

All those in favour of the amendment, please rise.

**CLERK (Hawley George):** Barry Petten –

**SOME HON. MEMBERS:** Oh, oh!

**CHAIR:** Order, please!

I didn't see what happened.

We won't recognize him, yeah?

**AN HON. MEMBER:** He is not allowed in, the Sergeant-at-Arms has just indicated.

**CHAIR:** Okay, please continue.

**CLERK:** Barry Petten, Helen Conway Ottenheimer, Paul Dinn, Lloyd Parrott, Tony Wakeham, Jeff Dwyer, Pleaman Forsey, Loyola O'Driscoll, Craig Pardy, Chris Tibbs, James Dinn, Jordan Brown, Lela Evans, Eddie Joyce, Paul Lane.

**CHAIR:** All those against the amendment, please rise, who are able.

**CLERK:** Lisa Dempster, John Haggie, Gerry Byrne, Tom Osborne, Siobhan Coady, Pam Parsons, Elvis Loveless, Krista Lynn Howell, Andrew Parsons, Sarah Stoodley, Derrick Bragg, John Abbott, Brian Warr, Paul Pike, Sherry Gambin-Walsh, Scott Reid.

Chair, the ayes: 15; the nays: 16.

**CHAIR:** Order, please!

The amendment has been defeated by one.

On motion, amendment defeated.

**CHAIR:** The Chair recognizes the Member for Stephenville - Port au Port.

**T. WAKEHAM:** Thank you, Chair.

I'd like to make an amendment to clause 4. I move that Bill 5 – this may be the most important one – An Act Respecting the Establishment of the Newfoundland and Labrador Future Fund be amended at subsection 4(3) by adding after the words "Treasury Board," the words "provided there is a surplus in that fiscal year."

**S. COADY:** It is the same thing.

**T. WAKEHAM:** No, it is a little different. It's on 4(3).

**CHAIR:** The Committee will recess to consider the said amendment.

Thank you.

Recess

**CHAIR:** Order, please!

The Committee have reviewed this proposed amendment, particularly in light of the previous amendments for this evening, we do find that it is different and we do find that it is in order.

**SOME HON. MEMBERS:** Hear, hear!

**CHAIR:** The hon. the Member for Stephenville - Port au Port.

**T. WAKEHAM:** Well, well, well, that's good, that's good, I'm glad.

The reason, again, we put forward this amendment is in section 3 of the act, it currently states: "In addition to the amounts referred to in subsection (2), additional amounts may be deposited into the fund at the discretion of the Treasury Board."

Again, section 2 talked about what would be deposited in the fund and that proceeds



from the sale of any Crown asset or group of assets and also the portion of non-renewable resource royalties. But section 3 goes on to say, "In addition to the amounts referred to" above "additional amounts may be deposited into the fund at the discretion of the Treasury Board."

So what we're proposing here is we add, again, those words "provided there is a surplus in that fiscal year." Not meant to handicap, not meant to change anything, simply meant to say that if we're running surpluses and there's an opportunity to put additional monies in the fund, then this would go that way.

Again, if we're running deficits, I don't see how we can make additional deposits into a Future Fund. That's just the simplistic way of looking at this, so that's why we put this forward. Again, the concept of a balanced budget, the concept of respecting the intent of the fund, but also ensuring that we balance our budgets, because I understand there's legislation coming on that, too.

Again, that's the purpose of the amendment. I have a bunch of questions I will ask after, but for now, I will sit down.

**CHAIR:** Thank you to the Member.

The hon. the Minister of Finance and President of Treasury Board.

**S. COADY:** Thank you very much, Chair, for the opportunity to speak to this.

I appreciate the intent of the Member opposite of basically his question here about whether or not we should add the "in surplus." I know the Member opposite understands the difference between accrual and cash, so I won't go down that road because I know the Member used to work in the Department of Finance, so I know he understand these concepts.

But I would say we do need to ensure financial discipline. This particular clause says the Treasury Board could make

additional amounts of deposits in the fund. This is over and above what is required by the fact that we have revenues from the non-renewable resources. So in a particular year, Treasury Board can look at the finances of government and say, I think we can put some additional money.

This is all about, remember, paying down on debt. For the next 10 years in particular, putting money away so that when debt rolls over, when debt comes due, like your mortgage, when it comes due, you pay it down. That is incredibly important, not only for today's generation, because remember I talked about the fact that we currently spend about \$1 billion on interest. So, I mean, it's a tremendous amount of money that we're throwing out the window every year. So not only for today's generation but for future generations, it's really important to have this fiscal discipline.

I'm going to harken back to a year where we had an incredible surplus – not surplus, incredible amount of revenues. In the year 2014-2015, we had \$1.079 billion in royalties, unbelievable. There's only been a few times in our history – not in the last few years, I can guarantee you, but only a few times in history where we've hit that high. That year, Chair, \$986 million in deficit, despite the fact that we had nearly double the amount of revenues from our offshore oil than we will get this year, we were still a billion dollars in deficit.

This whole issue here is about financial discipline and making sure that you can put the monies away that you require to pay down your debt, free up money then into the future for today's generation and have monies for future generations. And the value of compound interest is important.

I know the Member opposite understands this and I explained it to the Member for Mount Pearl – Southlands. I have to check to make sure I'm getting his –

**CHAIR:** That's right.

**S. COADY:** That's right, Mount Pearl - Southlands, because he asked some really good questions about this.

As I said, the officials in the department know that they can get a spread on the money. They can borrow at four and they'll earn six, and that's on the small-c conservative side of things. So they know they can get the spread.

I'll say to the Member opposite that cash versus accrual, the financial discipline to put money into your account, if Treasury Board does see that this is a heavy, a very positive financial year, that they have the option of putting additional monies in. I would say to the Members opposite, they will do so prudently, under the requirements of what they are constituted to do. They are financial managers of government as well.

So I would say to the Member opposite, for those reasons, we will not be supporting this amendment.

**CHAIR:** Any further speakers to this amendment?

The hon. the Member for Stephenville - Port au Port.

**T. WAKEHAM:** So what I'm hearing from the minister is that Treasury Board officials will be monitoring to ensure that the financial position of the province is a positive one and any additional revenues they will be ready to put into this Future Fund, based on the analysis that they are doing during the course of the year.

So, again, it goes back the whole point about this was the idea that those decisions of whether to invest or not to invest would be made based upon the fiscal forecast and where we're going to wind up at the end of the year. That is what this was meant to do. This was meant to be the same thing, you're just putting it in writing to just confirm for future governments that this is the intent of what you're saying there is that, basically, you're not going to put yourself in a situation

where you're borrowing money to put into the fund. At least that's what I think I am hearing. I'm not sure if that's what I'm hearing of not.

**CHAIR:** The hon. the Minister of Finance and President of Treasury Board.

**S. COADY:** Well, again, it is the difference between cash and accrual. So I don't want to go down too many roads on that. So we could be having a really good revenue year and the Treasury Board looks at the revenues that we're receiving in that year and make a decision that, based on the revenues that we're receiving that year, based on what the requirements are, based on the fact that there are additional revenues that government are receiving, over and above what they had budgeted to do, they may decide to make a contribution.

Let's hope they make lots of contributions, to be quite honest with you, because this is over and above what the requirement is, which is a requirement under the non-renewable resources.

But always remember that there is a difference between cash and accrual. I want to make sure that is understood.

Thank you.

**CHAIR:** Any further speakers to the amendment?

Is the Committee in favour of the amendment?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

**SOME HON. MEMBERS:** Nay.

**AN HON. MEMBER:** Division.

**CHAIR:** Division has been called.

Division

**CHAIR:** Order, please!

All those in favour of the amendment, please rise.

**CLERK:** Barry Petten, Helen Conway Ottenheimer, Paul Dinn, Lloyd Parrot, Tony Wakeham, Jeff Dwyer, Pleaman Forsey, Loyola O'Driscoll, Craig Pardy, Chris Tibbs, James Dinn, Jordan Brown, Lela Evans, Eddie Joyce, Paul Lane.

**CHAIR:** All those against the amendment, please rise.

**CLERK:** Lisa Dempster, John Haggie, Gerry Byrne, Bernard Davis, Siobhan Coady, Tom Osborne, Pam Parsons, Elvis Loveless, Krista Lynn Howell, Andrew Parsons, John Hogan, Sarah Stoodley, Derrick Bragg, John Abbott, Brian Warr, Paul Pike, Sherry Gambin-Walsh, Scott Reid.

**CHAIR:** Order, please!

The amendment has been defeated.

On motion, amendment defeated.

**CHAIR:** The Chair recognizes the Member for Bonavista.

**SOME HON. MEMBERS:** Hear, hear!

**C. PARDY:** Thank you very much, Chair.

Just a couple of minutes. I'm not sure if anybody from any other district is watching tonight but I know the Linthornes in Bonavista are.

**SOME HON. MEMBERS:** Hear, hear!

**C. PARDY:** I want to wave to Donna and Gerald. I just spoke to Donna a short time ago in the corridor, and you know what they're avid viewers, concerned about the transparency. I think they would agree that

what is brought back to the House of Assembly is the way it ought to be done for debate that at least the residents can have an opportunity to see what the debate is and weigh in on it, in their own minds.

When I first thought about the Future Fund and in my conversations in I would have thought in my district, I envisioned a far greater spread than 2 per cent. I don't know, you said small-c, sometimes when we do a statistical analysis of what it would be, you have a margin like a confidence interval, it might be 1 per cent or 2 per cent over a 1 per cent or 2 per cent below. You go 1 per cent or 2 per cent below and you're nil.

Here we are discussing a Future Fund; we're talking about 2 per cent not 8 per cent or 10 per cent. I would assume that when we're referring to Norway earlier and we talked about the future, the funds that they would have, I would assume that they weren't borrowing money to make their expenditures or to make ends meet. I would assume that's where the Future Fund was born, is when they had excess revenue, when they can meet the needs that would be in the population, they parked their money in a Future Fund.

So I find the 2 per cent spread to be very low. I'm sure that my constituents in Bonavista would say the same thing. We're not talking about a large amount of 2 per cent. One would say put it on the debt.

**S. COADY:** (Inaudible.)

**C. PARDY:** I know that's analysis and that's the statistical analysis that your team may have done, but it would've been nice to see that as well as to what their projection would be paying down on the debt immediately or parking it for 10 years at 2 per cent conceivably.

The other one, that I'm sure that the Linthornes would be wondering about, would be section 9. Section 9 would state that the money will not be withdrawn –

**S. COADY:** We're not there yet.

**C. PARDY:** Well, just to give you advance, at least then you could speak to that. Just keep in mind, Minister, we do have viewers out there that want to know, and I would think that we do it for the residents of Newfoundland and Labrador.

So when we're in section 9, it says that the money shall not be withdrawn from the fund unless one of the two circumstances are met. True? One would be 10 years. That means after 10 years you could take it out. You just pull it out for a reason that you would deem or the minister at the time would deem to be a strategy or a priority that you would recommend. The other one, the second one says: "(b) the balance of the fund is at least equal to the government's financial obligations relating to the unfunded long-term debt maturities for the subsequent 10-year period."

Now, no Members are going to understand what that is. Some may, but I haven't heard anybody address that. But I would assume that that would be the principle and the interest that would be coming due over the next 10 years, the subsequent 10 years, for which no sinking fund has been set up to cover that loan.

I would ask what would it be for the next 10 years, would your people in your department be able to share what that would be to meet that obligation if we went between now, '22 and '32? What would it look like today and what would that figure be that would allow you to take money out?

Whenever we get to section 9 then, if you could let the Linthornes know, I would say that is great.

Thank you so much.

**SOME HON. MEMBERS:** Hear, hear!

**CHAIR:** The Chair recognizes the hon. the Minister of Finance and President of Treasury Board.

**S. COADY:** I wouldn't want to keep them past their bedtime, because it looks like we're going to have a long night. It's 10:30, I'm usually in bed before then. So I thank them for watching and being so involved. This is an important discussion and debate. It is a late hour, so we have a little bit of levity and I think that's a good thing.

But I've heard repeatedly from Members of this House, they are supportive of this. Everybody realizes that we need to pay down debt, everyone realizes how much money we're throwing out the window every year in interest costs and everyone realizes we need a nest egg. We want to be this stronger, smarter, self-sufficient and sustainable province.

To answer your question directly: \$14 billion.

**AN HON. MEMBER:** \$14 billion?

**S. COADY:** A lot of money.

**CHAIR:** The Chair recognizes the hon. the Member for St. John's Centre.

**AN HON. MEMBER:** What section?

**J. DINN:** I think we're still on section 4.

**CHAIR:** We are on section 4, yeah.

**J. DINN:** Thank you.

So with regards to the fund, and I guess just a few points with regards to future funds in other jurisdictions. Norway, it's interesting – and I'm assuming that there are parallels between the proposed Future Fund for here, for Newfoundland and Labrador, and for the other jurisdictions. Norway, for example, although it started its fund much earlier; however, that's no reason for not coming up with one now, even though I guess you

might say the bulk of our earnings from oil are long past, in some ways, but still, the proverb: the best time to plant a tree is 20 years ago; the second best time is now. However, it's interesting with Norway, looking at the research that we've done on this, is that revenue from oil and gas production is transferred into the fund. These deposits account for less than half of the value of the fund, and most of it has been earned by investing in equities, fixed income, real estate and renewable energy infrastructure. I'm assuming that's going to be part of this fund as well.

There is also broad political consensus on how the fund is managed. I guess that's what we're trying to achieve with some of the amendments tonight.

Budget surpluses are transferred to the fund while deficits are covered with money from the fund with an eye to blunting the harshest effects of the economic downturn.

Alberta didn't fair as well as Norway, and sort of a cautionary tale in some ways. In Scotland, it's interesting here what the said, unlike Alberta and Norway, the money that they will put into their sovereign wealth fund, apparently, will come from the influx of green energy money that is expected to accrue to them in the coming years.

ScotWind recently leased parcels of land offshore to 17 projects for the development of offshore wind projects, which yielded the government almost 700 million pounds. There are also millions in rental revenues expected to enter the government coffers from wind energy in the years to come and a portion of these funds will then go towards fighting climate change and combatting the decline of biodiversity.

So I think there is an opportunity here, that while we're focusing on oil and our public assets, about seeing the renewable energy sector, the wind sector, as an opportunity for a source of revenue as well.

The other thing that Norway did that I guess we did not do is that it kept its taxes high when oil and gas revenue started to pour into the government coffers. If you want to look at it, the tax breaks at that time probably contributed more to economic disparity than we want to admit.

Rather than relying on lucrative, if volatile, temporary source of revenue, Norway maintained funding for public services over the long term by either avoiding the temptation to cut taxes or raid the principle sum in the fund.

I have hopes that the fund is going to take lessons from each of these and choose the best. But I also would like to think that we had an opportunity here tonight to increase the level of transparency and to, I guess if nothing else, bring it back to this House.

I do have one question, Chair, in terms of the Crown assets and maybe the minister can answer this: Would it be possible to provide a list of the Crown assets that are valued at over \$5 million? Or, if it's easier, to maybe list the Crown Assets that are under \$5 million. Because we've been trying to deal with this issue.

In its possession, government has some idea of the value of Crown assets, certainly from Rothschild, as to which ones are valuable and which ones are not. So maybe it comes down to sharing how the Crown assets have been valued, because it seems to me, I am assuming, it is not an arbitrary amount and there is a rationale for it. Maybe it comes down to looking at providing here the list of those; what Crown assets over \$5 million are we talking about or if it is easier, lets look at the ones that aren't valued at over.

**CHAIR:** The hon. the Member for Stephenville - Port au Port.

**T. WAKEHAM:** Thank you, Chair.

I have a couple of questions on clause 4 that I'd like to ask. The legislation reads, "the portion of non-renewable resource royalties received by the province in the previous fiscal year as determined in accordance with the regulations." Does this mean that following a fiscal year will we determine how much will be deposited? Does this mean the province could receive and spend revenues without knowing how much of those revenues are due to the Future Fund?

**CHAIR:** The hon. the Minister of Finance and President of Treasury Board.

**S. COADY:** I'm not certain what is asked by that question. I can tell you the mechanism by which this clause applies. This is your accountability function, if you want – if I can use those terms. That we would have an estimate, in budget we always have an estimate as to what royalties we're going to expect. We could make instalments or we're going to hold it until the year-end to make a deposit to the Future Fund.

That would be validated and verified by Public Accounts in the fall. So we will know in the fall of the year what the previous fiscal year requirement was. But we should have a fairly significant understanding of what that would be. As you would know, Public Accounts are pretty aligned with the accounts of government, so there shouldn't be any real surprises there, but that's your verification validation. It would come when Public Accounts publishes in the fall, we would have a definitive understanding of what should've gone into the fund.

I hope that helps, but please ask again if not.

**CHAIR:** The Member for Stephenville - Port au Port.

**T. WAKEHAM:** Another question: the legislation does not talk about budgetary surpluses or deficits. Will deposits be made

into the Future Fund regardless of a deficit/surplus situation? Why or why not?

**CHAIR:** The hon. the Minister of Finance and President of Treasury Board.

**S. COADY:** Again, we've dealt with this today, and I will say to the Member opposite: cash versus accrual is something he needs to keep in mind on that. So there may be times when we have an accrual surplus but a cash deficit. I know you understand that, so I won't get into too much of that. There may be times we are in the market borrowing money, which is not a bad thing. We need a robust borrowing plan, there's no doubt about that.

So we may be in the market of borrowing money at the same time we're making these deposits. But that's fiscal discipline. That's taking a portion – which we've talked about and I know the Members opposite are supportive – of the non-renewable revenues.

It forces a fiscal discipline. It forces a fiscal discipline to ensure that we have the monies there to (a) pay down debt and (b) make sure that we are lowering our cost of borrowing, making sure that we're saving something for future generations on a non-renewable resource. I mean these resources we're not going to get back. We want to make sure that we're doing everything possible for our future generations, again, toward that stronger self-sufficient, sustainable Newfoundland and Labrador.

**CHAIR (Warr):** The hon. the Member for Stephenville - Port au Port.

**T. WAKEHAM:** The legislation also reads, "in the event of an extraordinary circumstance, the net proceeds from the sale of a Crown asset or a group of Crown assets is not required to be deposited into the fund." If you please recall the definition of extraordinary circumstances, it essentially means that Cabinet gets to decide what is

an extraordinary circumstance; thus, they get to determine when funds are deposited into the Future Fund and when they are not.

Clause 5 sets up the board of trustees. The board will be comprised of the deputy minister of the department, the ADM of treasury management, the Comptroller General, the director of treasury management, one person employed in the Government of Newfoundland and Labrador

–

**CHAIR:** Order, please!

**T. WAKEHAM:** – that has expertise in environmental matters and one person appointed by the Cabinet.

**CHAIR:** Order, please!

We're still with clause 4.

**T. WAKEHAM:** Oh sorry.

I thought I was Craig.

**SOME HON. MEMBERS:** Hear, hear!

**T. WAKEHAM:** He can get away with it.

**C. PARDY:** For future reference, please don't let it happen again.

**CHAIR:** Any further discussion on clause 4?

**S. COADY:** I'd like to answer his question.

**CHAIR:** Oh sorry.

The Chair recognizes the Minister of Finance and President of Treasury Board.

**S. COADY:** Thank you.

I'll again say an extraordinary circumstance does have to meet a standard. It is material in impact. That is determined under the definitions. I've already gone through the fact that is a standard. I've talked about the Canadian Accounting Standards and the

requirement. Basically, if we are in an extraordinary circumstance and in that pot there's a possibility of a sale of an asset, we don't have to put that into the Future Fund. It will come into general revenues, as it would today.

Remember, if something is sold today, it just goes into general revenues. It would just be as it is today.

**T. WAKEHAM:** Right, but the bottom line is Cabinet gets to decide at the end of the day.

**CHAIR:** Further discussion on clause 4?

**S. COADY:** Based on standards.

**CHAIR:** The Chair recognizes the Member for Topsail - Paradise.

**P. DINN:** Thank you, Chair.

Just one question and, again, I hope the Linthornes are watching.

**SOME HON. MEMBERS:** Hear, hear!

**P. DINN:** When you spoke today, Minister, you talked about what the fund would be used for. You indicated it only be used to pay down debt or extraordinary circumstances. This may be a minor amount, I don't know. That's why I'm asking.

So in section 4(6) it speaks to: "The annual expenses incurred in the management and operation of the fund shall be paid out of the interest earned from the investments" and goes on. Any notion of how much that would be? I assume it's going to be a percentage or something, but can you give us some indication of what that amount may be?

**CHAIR:** The hon. the Minister of Finance and President of Treasury Board.

**S. COADY:** I will ask officials to give me an idea from the sinking fund, but it is whatever the bank requirements are. For example, if you're investing money, sometimes you

have to use an investor and give you – and it generally can cost some money.

I'll find out what we do with the Newfoundland and Labrador sinking fund now, to what that's mirrored from. But it would be a nominal amount and it would be required if we are depositing or buying some bonds with the sinking fund.

**CHAIR:** The hon. the Member for Mount Pearl - Southlands.

**P. LANE:** Thank you.

Minister, I just have a question about the \$5 million on the Crown assets. The way it's reading here it has to be assets that value \$5 million or a group of assets. So I'm just trying to sort of just think of scenarios here.

Let's say for argument sake – right now, I think there's a big for sale sign up on the old Hoyles-Escasoni. I know there's a school there on Bennett Avenue that's sold, there's the old Grace Hospital property and so on. So there are a lot of smaller, I'll say, properties; maybe they're worth a few hundred thousand, maybe they're worth a couple of million, I don't know. I know we didn't get nearly as much for the school as I had hoped. I remember at the time that one on Bennett Avenue.

But at the end of the day, if you sell something and it's worth a million dollars, why would you not put that into the fund? Or is the intent to say we'll wait until we get a group of them together and then we'll just put it all in. But is the intent on the smaller assets like that as well, old schools that are no longer in use and facilities, to put all that money into this fund as well?

**CHAIR:** The hon. the Minister of Finance and President of Treasury Board.

**S. COADY:** That is the intent. Right now, if we sell Hoyles-Escasoni or schools or whatever, it just goes into general revenues. But let's say we sell four or five different

properties around, as you just indicated. We want to capture that and put it in the Future Fund.

So the intent here is to – if you're selling a number of pieces, we would take that and put it in the Future Fund. We just took – \$5 million is probably an arbitrary amount. We thought it was large enough that we would capture it because of the cost of putting it into a Future Fund and doing the trading on it, yet, if it's lower than that, taking in the general revenues because it's not material, if I can use that term.

To answer my colleague from Topsail - Paradise, again, right now, I can tell you roughly it's approximately \$200,000, the same amount we spent in 2020-2021 – sorry, I am getting tired – and 2021-2022. So it's roughly around that and that's on \$45 million in revenue. You can see it's a very small amount of cost there because we use our in-house expertise.

**CHAIR:** The Chair recognizes the member for St. John's Centre.

**J. DINN:** Question with regard to the \$5 million. Talking about the selling of land and assets, simple question: Is the property at the former Grace General Hospital site up for sale? I'm just wondering because I just need to know. Is that on the block?

**CHAIR:** The hon. the Minister of Finance and President of Treasury Board.

**S. COADY:** I can't answer that question for you because I'm not aware of whether it is. I have no idea. I could ask my colleague but I am not sure that's relevant.

The only thing that's relevant in this particular act is that we capture the monies, that's all. Not whether or not we sell something, not what is being sold or where it's being sold or to whom it's being sold. All we want to do from a financial account and from a financial perspective is capture that money so it doesn't go into general revenue



and therefore we have an opportunity to put it to a Future Fund.

It's the concept, the principle – if I can borrow a term that was used earlier in debate – of what we're trying to achieve here.

**CHAIR:** Shall clause 4 carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

On motion, clause 4 carried.

**CLERK:** Clause 5.

**CHAIR:** Clause 5.

The Chair recognizes the hon. the Member for Stephenville - Port au Port.

**T. WAKEHAM:** So clause 5, in terms of the board of directors as I was talking about, there's the deputy minister of the department, the ADM of treasury management, the Comptroller General, the director of treasury management, one person employed in the Government of Newfoundland and Labrador that has expertise in environmental matters and one person appointed by the Cabinet.

So, again, the question is: Can the minister outline why a person with expertise in environmental matters would be appointed to the board of trustees for the Future Fund?

**CHAIR:** The hon. the Minister of Finance and President of Treasury Board.

**S. COADY:** Certainly. The board of trustees, of course, manages where the funds are invested, how are the funds are invested, all based on an investment policy that is reviewed by Treasury Board and

managed and responsible to Treasury Board, not unlike our current Newfoundland and Labrador sinking funds. This is similar to the sinking funds, but we asked to have somebody with environmental expertise on the Future Fund.

Based on where we're headed, as a province, as a country, as a globe, in terms of environmental concerns, environmental investments, environmental understanding, we wanted someone with expertise in that. We've got great expertise in the management of funds. We have a lot of in-house expertise in that area. We've also asked for an LGIC appointment as well to bring on external expertise. But again this is on the management of the funds and where they're invested, how they're invested and the outcomes of those investments.

Again, that all comes to the House of Assembly.

**CHAIR:** The hon. the Member for Stephenville - Port au Port.

**T. WAKEHAM:** Will the person appointed by the Cabinet go through the Independent Appointments Commission process?

**CHAIR:** The hon. the Minister of Finance and President of Treasury Board.

**S. COADY:** Thank you.

This is deemed a tier-three board, so it goes to the Public Service Commission, due to the expertise. So it's deemed to be a tier-three board, so it goes to the Public Service Commission.

**CHAIR:** The hon. the Member for Stephenville - Port au Port.

**T. WAKEHAM:** The legislation notes that the term of an appointment for the trustee with expertise in environmental matters is determined by the LGIC Cabinet, but the other person appointed by Cabinet is three years. Why the difference?

**CHAIR:** The hon. the Minister of Finance and President of Treasury Board.

**S. COADY:** It's a governance issue. Normal governance would be your three-year terms. That's normal governance. They can be reappointed. So normal governance would be you look at that, if you're bringing somebody in from external your normal governance rules would – normally three years you'd determine whether or not you need different expertise.

We've determined, and I think people in this House would agree, that the environment is incredibly important. We want to be responsible and respectful to the environment, even in our investment decisions. So having someone with environmental expertise, in consultation with the board, bringing their expertise to that board, we didn't set a term limit for that, we just accepted their expertise.

**CHAIR:** The Member for Stephenville - Port au Port.

**T. WAKEHAM:** Clause 6 outlines the duties and powers of the board of trustees. The trustees will have to invest and dispose of the assets in the fund as directed by the Treasury Board. So if the board of trustees are directed by the Treasury Board, then why have a board of trustees?

**CHAIR:** The hon. the Minister of Finance and President of Treasury Board.

**S. COADY:** I believe the Member opposite would agree that having an umbrella investment policy is important. We have one now for sinking funds. I think that that's important, directing the trustees on what you can invest in, how you can invest the money, what percentages of what can be involved in that investment policy. That umbrella is very important and that's the Treasury Board.

Then you have the trustees that follow the guidance of the investment policy and make

the – what I'm going to call – administration decisions on that based on the policy. Maybe I can be clear by saying, I'm going to use an investment policy that says you can invest 30 per cent of your fund, I'm using this as an example, in certain equities. It is the policy that overrides the decisions or gives direction to the trustees and where they can invest, right?

So the investment policy kind of says what types of mix you can have. You can have bonds, you can have equities, but the equities have to be blue chip and you're only allowed to have 30 per cent of those blue chip stocks, you can't have 100 per cent.

It's a risk profile that the Treasury Board will manage and oversee, just as we do for the sinking funds. Then the board of trustees would seek out the best investments utilizing that guidance.

**T. WAKEHAM:** Are we in clause 7 now?

**CHAIR:** No, we're in clause 5.

**T. WAKEHAM:** Oh, we kind of skipped 6.

**CHAIR:** I thought you were going clause 5, section 6.

**T. WAKEHAM:** My apologies, Chair.

**S. COADY:** He jumped ahead.

**CHAIR:** Anything further on clause 5?

**J. DINN:** Yes.

**CHAIR:** The Chair recognizes the Member for St. John's Centre.

**J. DINN:** With regards to under clause 5.2(e): one person employed in a department of the government who has expertise in environmental matters.

I guess what I'm looking for is who would this person be? Would it be at a deputy

minister level, would it be maybe a compliance – I'm just trying to get an idea of who would this person be that would have this environmental expertise and the level of responsibility that they have.

**CHAIR:** The hon. the Minister of Finance and President of Treasury Board.

**S. COADY:** You'd see in that section where we talk about the deputy minister of Finance, the ADM of treasury management. We have the Comptroller General, the person responsible for Treasury Management. So it would be someone of that level. There's no one in mind or anyone – but we wanted to have environmental expertise at the table when we're making investment decisions and whether or not, in future, you want to make sure that you have some other environmental expertise should you ever do any strategic initiatives.

Look, the environment is incredibly important, so we want someone with that kind of expertise who's on the board of trustees, who are helping to make the decisions on the day-to-day operations and management of the fund.

We haven't determined who, but I can tell you that just based on the levels I've spoken of you can expect them to be a senior member of government.

**CHAIR:** The Chair recognizes the Member for St. John's Centre.

**J. DINN:** And under (f): one person appointed by the Lieutenant-Governor in Council. So, again, this is not someone necessarily from the public but someone within the public service?

**CHAIR:** The hon. the Minister of Finance and President of Treasury Board.

**S. COADY:** No, that would be someone who is recommended by the Public Service Commission through a merit-based process. So that would be someone not within

government, someone with expertise that you would like to fill out your trustee board, but they would go through the Public Service Commission on a merit-based process.

**CHAIR:** The hon. the Member for St. John's Centre.

**J. DINN:** And the criteria for this person, would it be an all-round financial, someone who represents the public, someone maybe with environment? I'm just trying to get an idea then when you talk about merit based, I'm assuming that you have criteria in place or in mind all ready.

**CHAIR:** The hon. the Minister of Finance and President of Treasury Board.

**S. COADY:** I certainly haven't crafted any letters asking for specific expertise. But you would want to – we're being more and more evaluated – and you've heard this word as much as I have – on environmental and social governance. I mean, this is now what bond-rating agencies are looking for even from governments. I mean, we know that corporations across the country are seized with ESG. Now, bond-rating agencies are making sure that government is really considering that in all its dealings.

So we would look at the composition of our board, the trustee board, see what other expertise we need at that board, but environmental we've covered off. Social governance, that's another big area and making sure that we have the right expertise at the board. I have not determined what that expertise absolutely is required. I haven't looked at the skill set mix of who's on that board yet at this point in time, but we'll certainly turn our attention to that.

**CHAIR:** The hon. the Member for St. John's Centre.

**J. DINN:** I guess where my questions are going in this, from the perspective from back in 2016-2017, we established a joint

sponsorship over our pension plans and we set up an independent – so you have your sponsor body, which is very much political; it is made up of equal representation of government members and members of the NLTA. We also have, on that sponsored body, one that I wanted appointed, was a teacher from the field, who would sort of be the eyes and ears of the general membership.

The board of directors, however, were independently appointed and they're free from political influence, and they were selected – certainly from the members who represent our appointees, they have skill sets. They have specific skill sets, whether it has to do with investment, you name it. At that time we made it very clear that – as president, I got to choose, I guess had the final say, but in many ways we made sure we went through a process that was at arm's-length.

That board will come to the sponsorship body and make recommendations and it really comes down to the sponsorship is going to accept it or – one of two options, we don't get to influence the decision. I guess what I am looking at hear and what my concern is, if I understand from the Greene report, they are sort of looking at an external committee. An external board of trustees, I guess, arm's-length that, I would assume, the rationale is sort of free from political influence, if I understood it correctly.

When I look at the systems that we have in place to make sure that the pension funds are managed and free from political influence, we have a board of directors that its primary function is to operate a sound, fiscal management of the fund and the sponsored bodies cannot override that decision; they have no authority to do that. We can ask the board, here is another solution, can you go back and see if this works. If it does, it is an option. But it is free from that political influence, and that was deliberate. There are no political appointees on that board for us.

So I am concerned in terms of, why I ask the question, who is the person that's going to be employed from the department on environmental matters and I hear the minister saying that the person is going to be a senior member from that department. I can sort of appreciate that because, basically, it's identified, the deputy minister, the assistant deputy minister, the Comptroller General, the director responsible for Treasury Management, these are all people with significant influence and skill set and responsibility.

Then we have one person employed in a department of the government who has expertise in environmental matters because, obviously, where this fund is going is that we need someone with environmental expertise. I would be concerned if that person were a lower level employee who is not going to speak his or her mind on an issue because he is dealing with, basically, members who represent his or her employer.

One person appointed by the Lieutenant-Governor in Council as well – the same thing – who are these people? Now that person, I would assume, has a little bit more independence. That's what I'd be looking for.

In many ways, I look at this and I understand this flows out of who has the decision-making power and authority, but in many ways I am a little bit concerned there. I am assuming, too, that there's a certain set of criteria investment and that this is the guideline that governs it, and that's very much along the same lines with the pension funds. Here it is, here is how we're going to invest it, here's how we're going to manage it and there are very strict rules on deviating from that. But still, I am looking at (e) and (f) with regard to the clarity because obviously (a), (b), (c) and (d), it's a very definite as to who these people will be. I would like to know that the person in (e) has some ability to maintain his or her independence and be heard and will be free to speak, and that the

person appointed is someone from the public, indeed, that has that skill set.

That's my concern and I guess for too long – and I use the pension plan as an example. If the one thing we learn, Chair, from that is that when we took it out of the sole responsibility of government and we put it into joint ownership, it's been run much more efficiently and much more profitably and it's better protecting the members who depend on that. I think, at the time, that was a risky move for a lot of people. A lot of people were uncertain, but it resulted in probably the best approach to this, to protect the pension funds, to make them fully funded, protect the people who rely on them and also to take the sole responsibility from government. But there's a very clear plan.

So my concern there is I would like to see, sooner rather than later, some clarity around this as to who these people are, what are we looking for. I understand and appreciate that the minister hasn't had time to look at those, or to craft that right away, but I think that would be a priority that would be important, especially if this fund is going to be managed properly. I do not believe for one minute that the intention of it was to set the fund up for failure, by any stretch. But I do have concerns with that, with (e) and (f), as who these people are and the authority that they're going to come in with, and that they're going to be more than just simply echoing the comments or the opinions of their employer. I'm looking for that autonomy.

Thank you.

**SOME HON. MEMBERS:** Hear, hear!

**CHAIR:** The hon. the Minister of Finance and President of Treasury Board.

**S. COADY:** I thank the Member opposite for his thoughts on this matter. I will say that all trustees have to act in sound fiscal management of the fund. They have a

fiduciary responsibility. They would be senior. They would have to be. They have to have the expertise required to be able to sit on this board of trustees. They have to have a high regard for their fiduciary obligations and responsibilities. They have to be able to speak with the freedom of influence, as you spoke about. They have a fiduciary responsibility to the fund and to the people of the province based on the performance of the fund.

Remember, the board of trustees is responsible for the management of the fund, the day-to-day activities of the fund and the investments of the fund. We would have to have considerable expertise, and we do have considerable expertise as we manage our current funds and do very well with those current funds, as I've indicated.

I think, just to conclude on that, anybody who sits on that board of directors has a fiduciary responsibility, especially when they're taking on financial management of a fund, they would have to have that kind of credibility and expertise.

**CHAIR:** The hon. the Member for St. John's Centre.

**J. DINN:** A final question then. Maybe it's rhetorical but I'll ask it; I'm assuming this is not the case.

Would there be, then, for the people who are coming in, training and that? I agree with you for the most part. I think of the people who are brought in to sit on, let's say, the sponsorship bodies. There would normally be – especially if it's a teacher from the field – training for that person to understand here's your fiduciary responsibility, here is some of the key knowledge.

I'm assuming, though, that the person you would be appointing would obviously be merit-based, but I'm also assuming that there will be some element of training in the process. Would that be correct?

**CHAIR:** The Minister of Finance and President of Treasury Board.

**S. COADY:** I think the board of trustees, anything they require they must receive. They have that fiduciary responsibility, so anything they require they would certainly have obligations; the board would have obligations to understand the investment policy.

They would have that kind of training and that kind of knowledge requirement. So I would assume whatever the board of trustees themselves feel is a responsible manner for them to conduct their business, they would receive.

**CHAIR:** Thank you.

Shall clause 5 carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

On motion, clause 5 carried.

**CLERK (Barnes):** Clause 6.

**CHAIR:** Clause 6.

Shall clause 6 carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

On motion, clause 6 carried.

**CLERK:** Clause 7.

**CHAIR:** Shall clause 7 carry?

The Chair recognizes the Member for Stephenville - Port au Port.

**T. WAKEHAM:** Just a question on clause 7. Subsection 7(3) notes that a Future Fund can lend to a company. We know there are other programs and legislation that allows the Government of Newfoundland and Labrador investment into a company or private enterprise, so why is this provision needed here for this particular fund?

**CHAIR:** The hon. the Minister of Finance and President of Treasury Board.

**S. COADY:** Thank you.

I'm just waiting to hear if there's any guidance from officials on that particular thing. You're absolutely correct; we did put through legislation on the sinking funds most recently. I thank the House for their concurrence with that, because we're able to invest and earn more money on those sinking funds, which is important, I think, because this is not the sinking funds we needed to cover off in this legislation.

If officials have any new information, I'll certainly be happy to stand on my feet. We have to cover it off. Because we covered it off on the sinking funds, now we're covering it off on the Future Fund.

**CHAIR:** Shall clause 7 carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'  
Carried.

On motion, clause 7 carried.

**CLERK:** Clause 8.

**CHAIR:** Shall clause 8 carry?

The Chair recognizes the Member for Mount Pearl - Southlands.

**P. LANE:** Thank you, Mr. Chair.

Mr. Chair, I want to go back to a couple of issues I had. Unfortunately, one of them – well, fortunately, I guess, one of them was brought forward by the Member for Stephenville - Port au Port as it related to the Cabinet deciding what was extraordinary. Unfortunately, that got voted down.

I suspect the same thing is going to happen here, assuming my amendment is in order – and I will be presenting an amendment, but before I present it I just want to reiterate the point. For me, this was the other big problem I had and it relates to section 8(1)(b)(iv). Basically, it's talking about how the money can be spent. This section talks about "to fund strategic priorities recommended by the minister ...."

Now, whether they're going to be environmental priorities, which is what I'm thinking or I understood to be the case – although it doesn't say environmental, it just says priorities by the minister. Once again, I have a concern with the fact – and this is even worse than the last one. At least with the extraordinary circumstance, the minister said, well, there are parameters set down by – there are financial parameters, the Auditor General, accounting principles and all this stuff that defines what would determine an extraordinary circumstance, based on the definition they have there in terms of material impact.

But this particular clause here, there are zero parameters. There are no parameters. This is simply the minister deciding that he or she wants to make a strategic investment, whatever that means. We don't know what the strategic investment is, what it would be in, or what the amounts we'd be talking about or whatever, but I'm just assuming that at some point in time they might say, I don't know, we want to invest in some green technology; maybe we want to invest in wind or energy or God knows what. By that time, maybe we'll get power from

the moon, I don't know, but we want to make some type of strategic investment. So the minister and the Cabinet are just going to decide, yeah, we want to do it. The only time we get to debate that, if you will, is part of the budgetary process and once again there's a set process for budget debate. There's only so many hours permitted under the legislation or under the rules of the House for budget debate, including the Estimates process and everything else.

So if this was some strategic move that was potentially very costly, very controversial, many angles to it and concerns, how are we supposed to debate that in the context of the budget debate? What are we going to forget about the rest of the budget just to deal with that one issue? Should we have to pick and choose between: do we debate the merits of the budget itself or forget about the budget and just let it pass, question nothing because we need to use all that time to debate this particular initiative by the minister? It's not the right way to do it.

So, you know, again, I would say that the right way to do it would be if the minister decided that there was some initiative that's so important for the people of Newfoundland and Labrador and it's such a great idea, then bring it to the House of Assembly as a stand-alone issue and let's debate it in the House. As has been said, if you've got your majority, you're going to get your way anyway but at least the people are aware of what it is you want to do and why you want to do it.

We could have some debate. Whether that debate takes a day or a week, whatever it takes so we can get every aspect of that deal or that investment, that initiative, we can debate it all from every angle so that people know what it is the government of the day is trying to do. They understand the pros, the cons of the potential pitfalls, or the Opposition can, perhaps – maybe they agree with it, but they can offer suggestions to enhance what you're trying to do.

At the end of the day, putting it through, through the budgetary process and mixing it in with the entire budget will not do justice to the debate that would be necessary on one of these strategic investments that, potentially, could be an investment of a billion dollars or \$2 billion. Could be; I'm not saying it will. I don't know. It could be. That's not doing justice to the process.

So I am going to make an amendment. It's probably not going to pass. I want to say as well while I have the time here that I am very disappointed of the way things have gone down here tonight. I'm very disappointed because I really want to support this bill. I'm not just saying that, I'm sincere. I could not be more sincere in saying I really, really want to support this bill.

I totally agree with the concept of a Future Fund. We should have had one long before. We would've been much better off now if we had done it years before. I agree with that. Doing it now, we've got to start somewhere and I'm on board for it. I really am and I want to support you, but I'm finding it very, very difficult.

I don't think I'm going to be able to support the bill the way she is. I just don't think I can support this. I don't know why, to keep everybody on board, for us all to agree, we can't make a couple of simple amendments. That only makes sense to strengthen the legislation. It provides more openness and accountability and transparency and it's doing nothing to water down the bill. Doing nothing to water it down, other than the fact that it's just moving away from the concept that some of you have in your minds, including the Minister of Justice, that we're in charge and we're going to do whatever we see fit and the heck with you guys. You're only the Opposition; you're nothing.

**SOME HON. MEMBERS:** Hear, hear!

**P. LANE:** So anyway, with that said, I'll move the amendment. I move the following

amendment to clause 8 of the bill, that subparagraph 8(1)(b)(iv) of the bill be amended by inserting immediately after the words "recommended by the minister," the words "and approved by the House of Assembly."

**SOME HON. MEMBERS:** Hear, hear!

**P. LANE:** Quite an amendment.

**CHAIR:** Order, please!

We'll now recess to take a look at the amendment.

### Recess

**CHAIR:** Order, please!

After consideration of the proposed amendment, it is deemed to be in order.

On motion, amendment carried.

**SOME HON. MEMBERS:** Hear, hear!

**CHAIR:** The Chair recognizes the hon. Member for Mount Pearl - Southlands.

**P. LANE:** Thank you, Mr. Chair, and glad that's in order.

This is going to give the government an opportunity now – another opportunity, a second chance – to do the right thing here. I would say – and I'm hoping the minister is going to respond – that when they decided to vote down the amendment on the extraordinary circumstance, the minister kept going back to this whole concept of there are standards in place around what is an extraordinary circumstance, and accounting principles and the Auditor General. The material impact on the financial system is a very tight definition; therefore, that was sort of the rationale as to why it didn't need to go to the House.

But I would say that when it comes to this amendment here, this is simply the minister



deciding that he or she wants to invest in a strategic initiative. There are no parameters. There are no guidelines. There are no accounting standards. There's no Auditor General, there's nothing. It's simply the minister deciding they want to spend money, take money out of the fund to spend on some strategic initiative.

So the argument that was made by the minister to not support the amendment on the extraordinary circumstance does not exist under this amendment or under this circumstance. That argument is gone, so I'd be curious to know if the minister is going to be not supporting this. I hope she is. Then, I would like to understand what the rationale would be for not doing so.

**SOME HON. MEMBERS:** Hear, hear!

**CHAIR:** The hon. the Minister of Finance and President of Treasury Board.

**S. COADY:** Thank you very much, Chair.

I appreciate everyone, in this late hour, being part of the debate. I will say, Chair, that I appreciate the intent of the Member. This is for a circumstance that is 10 years in the future. As I had discussed earlier, he did reference the extraordinary circumstances and why there were standards and that there weren't at this point in time. The extraordinary circumstances –

**SOME HON. MEMBERS:** Oh, oh!

**CHAIR:** Order, please!

**S. COADY:** Chair, I am sorry, the hour is late and I know people are chirping but I really need some protection here. Thank you.

When we're talking about extraordinary circumstances, it can be withdrawn within the 10-year period and therefore there are standards. But what the Member opposite is bringing at this point in time is something that is 10 years into the future. I remind the

Member opposite that written into the act, under section 8(1)(b) it does state: "... the Consolidated Revenue Fund for one or more of the following purposes, subject to there being an appropriation provided under the *Financial Administration Act* for the amount being transferred ...." That is a vote in the House, Chair.

I will say to the Member opposite that I understand his intent. What I am hearing from him is that before that 10 years is up, we need to strengthen what we're doing; I'm listening to that. But all I'm saying to him is that it is already written in this section that they have to have an appropriation. The only way you can get an appropriation, as was evidenced last week with the Supplementary Supply –

**SOME HON. MEMBERS:** Oh, oh!

**CHAIR:** Order, please!

**S. COADY:** – is through the budgetary process and it was brought to this House.

**CHAIR:** The hon. the Member for Mount Pearl - Southlands.

**P. LANE:** Mr. Chair, I want to make it clear again. I am not proposing to do something in 10 years' time; I am proposing to do it now. The legislation is before the House of Assembly tonight.

**SOME HON. MEMBERS:** Hear, hear!

**P. LANE:** Right now, not 10 years' time. I mean that is foolish, just think about it. Imagine all the bills that we passed in this House of Assembly since the last couple of years, if every bill came in and we said, yeah, we got issues here and we'll deal with that in five years' time, we'll deal with that in seven years' time, we'll deal with that in 10 years' time, sure, that's not how it works.

You bring in legislation based on the circumstances of today. That's why you're bringing in amendments to legislation to

reflect issues that exist today, not issues saying we'll put it off for 10 years' time. I'm not suggesting that. I'm saying deal with it right now. We know what the issue is; let's make the amendment and deal with it right now.

And again, we come back to the financial – I don't know how many times I have to repeat this one, to say that there is a process in place where it has to get approval through the House. Yeah, it's called the budget. We all understand that. But the minister knows very well that the budget is very restrictive in terms of the process that has to be followed and the number of hours that are allotted for the budget. We're not allowed to go over. That includes the time to debate Interim Supply. It includes the Estimates process and everything else. So if we had a minister decide that they were going to invest in some – quote, end quote – strategic initiative, that potentially could be \$1 billion or \$2 billion, who knows? We're supposed to just throw that in there with the budget debate. So are we going to just forget about the budget debate to talk about this, or are we just going to say, no, b'ys, we'll just deal with the budget and we're going to have to let that \$2-billion expenditure slide or just give it some lip service because we don't have enough time to deal with it?

I mean, how ridiculous is that? It's absolutely –

**SOME HON. MEMBERS:** Oh, oh!

**CHAIR:** Order, please!

**P. LANE:** I mean, it just seems so ridiculous to me. I'm going to say as I said earlier, last time I spoke, Mr. Chair – and again, I could not be more sincere in saying it – I really, truly wanted to support this bill. I do support the concept of this fund, I really do. It's the right thing to do, but there's no way, based on the lack of co-operation, the lack of acknowledgement of legitimate issues to manage this process that's just being ignored and swept under the rug and saying

come back some time within the next 10 years to deal with, I just can't support it.

So unfortunately, this is where we've gotten to. There's no flexibility, no willingness to co-operate, to collaborate and, for that reason, I am very disappointed and I won't be voting for your bill.

**SOME HON. MEMBERS:** Hear, hear!

**CHAIR:** The Chair recognizes the Member for Humber - Bay of Islands.

**E. JOYCE:** I'm just going to spend a minute – and I thought that was a great amendment and opportunity. I'd just bring to the minister's attention, when she just mentioned about the section of the consolidated revenue fund, but at the end of that, when you bring it to the consolidated revenue fund, the next sentence is with the approval of the Lieutenant-Governor in Council. That's Cabinet, so that means it don't have to come back to the House. Cabinet can make that approval.

So if it's going to be a consolidated fund and to go into the budget process, you don't need approval from the Lieutenant-Governor in Council. But once you need the approval, if the Lieutenant-Governor in Council approves it, it don't have to come back to the House because you already approved it. So you can't have it both ways.

You can't use a consolidated fund and say if it's going to the consolidated revenue fund, that means you'd have to come back to the House, or with the approval of the Lieutenant-Governor in Council. The Lieutenant-Governor in Council makes decisions on funds on a regular basis. Either the statement that has to come back to the House through the budget, through the consolidated fund through the budget process, or that the Lieutenant-Governor in Council can approve it, two of it can't be right. One of it is wrong. One of it is wrong.

**AN HON. MEMBER:** (Inaudible.)

**E. JOYCE:** Me. You think I'm wrong? I've been wrong many times before and this is why I ask questions. This is why you ask questions. You can't have it both ways.

I was there when you go to the Lieutenant-Governor in Council; you approve funds. There are many examples that you can do it, but that's a legitimate question. You can't have it both ways.

So if the minister is correct, which I'm not saying she's not, this should be taken out. If she's not correct, that means the Cabinet can make the decision on strategic initiatives. That's a fact and that's what's in this bill.

I'll just sit down, and I agree with the Member for Mount Pearl - Southlands, I want to vote for this. I want to vote for it. I'll go back to Voisey's Bay, they said there's more off-ramps on this here than you could shake a stick at, more off-ramps.

**P. LANE:** You could drive a Mack truck through it.

**E. JOYCE:** You could drive a Mack truck through it.

I ask the minister: Can the Lieutenant-Governor in Council, which is in the act, make the decision on strategic initiatives? Yes or no.

**CHAIR:** The Chair recognizes the hon. the Minister of Finance and President of Treasury Board.

**S. COADY:** Thank you again, Chair.

No. If you read –

**SOME HON. MEMBERS:** Oh, oh!

**CHAIR:** Order, please!

**S. COADY:** – 8(1) it says “Subject to the approvals in subsection (2), money may be withdrawn from the fund to be transferred to ... (i) to service the public debt ...” and “(b)

the Consolidated Revenue Fund for one or more of the following purposes, subject to there being an appropriation provided under the *Financial Administration Act* for the amount being transferred.”

**CHAIR:** The hon. the Member for Humber - Bay of Islands.

**E. JOYCE:** Thank you.

So, Minister, if you're saying that this is the way the process will take, will you delete that the Lieutenant-Governor in Council has the authority to approve it? Will you delete it? If that's your statement now –

**AN HON. MEMBER:** (Inaudible.)

**E. JOYCE:** No, no. If that's what you're saying here, that you have to go through it, will you take out the Lieutenant – anybody that's in Cabinet knows that you can make a decision to appropriate funds. We all know that. Anybody who has been in Cabinet did that.

So once that's in there, that leaves the decision, you can make the decision. Now, the minister is saying no you have to put it into general revenue funds, which comes to the House. You can't have it both ways. It just don't happen.

So if the minister agrees with what she's saying then you should make an amendment to delete that so that it can't be done by the Cabinet of any government.

**CHAIR:** The Chair recognizes the hon. the Minister of Children, Seniors and Social Development.

**J. ABBOTT:** Chair, again, clarification in terms of the process that this legislation is envisaging is that we set up the Future Fund. We then move, at a point in time, some of the monies to the Consolidated Revenue Fund. That's what that provision refers to. Then we get approval to spend those funds.

So to take the money from the Future Fund to put it in the consolidated fund, there are two processes: either Treasury Board can approve it, just moving the money, not the spending of it, just moving it, or Cabinet. To approve the actual expenditure based on those categories will require approval either through the Estimates or through a Supplementary Supply.

So when you're reading this you have got to read it very carefully. I think, Sir, in that one you've jumped to the wrong conclusion.

**CHAIR:** The Chair recognizes the hon. the Member for Humber - Bay of Islands.

**E. JOYCE:** I am sorry, Mr. Chair, I may not be the brightest guy going but I'm just reading here: with the approval of the Lieutenant-Governor in Council, it's straight in writing. I don't think anybody who can read it – and I'm not going to stay here and argue this, but it says: or with the approval of the Lieutenant-Governor in Council you can spend the money and you can declare what – it's there.

Anyway, I guess I'm just imagining that it's there. With all due respect to the minister and I'm serious about this, as I read it: with the approval or with the approval. So the Lieutenant-Governor in Council can decide what is the extraordinary circumstances with the approval of the Lieutenant Governor. It's just black and white. I am confident that you have approved funds in Cabinet before that did not come to the House. I am sure of it.

**CHAIR:** We are voting on the amendment.

Shall the amendment carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

**SOME HON. MEMBERS:** Nay.

**AN HON. MEMBER:** Division.

**CHAIR:** Division has been called.

### Division

**CHAIR:** Those in favour of the amendment, please stand.

**CLERK (Hawley George):** Barry Petten, Helen Conway Ottenheimer, Paul Dinn, Lloyd Parrott, Tony Wakeham, Jeff Dwyer, Pleaman Forsey, Loyola O'Driscoll, Craig Pardy, Chris Tibbs, James Dinn, Jordan Brown, Lela Evans, Eddie Joyce – no.

**CHAIR:** Sorry?

**CLERK:** Did Mr. Joyce vote? Yes? Okay. He sat down so I wasn't sure.

**E. JOYCE:** Yes, I voted for the motion.

**CLERK:** For the motion, okay. Thank you.

Eddie Joyce, Paul Lane.

**CHAIR:** Those against the amendment, please rise.

**CLERK:** Lisa Dempster, John Haggie, Gerry Byrne, Bernard Davis, Tom Osborne, Siobhan Coady, Pam Parsons, Elvis Loveless, Krista Lynn Howell, Andrew Parsons, John Hogan, Sarah Stoodley, Derrick Bragg, John Abbott, Perry Trimper, Paul Pike, Sherry Gambin-Walsh, Scott Reid.

**CHAIR:** Order, please!

The amendment has been defeated.

On motion, amendment defeated.

**CHAIR:** The Chair recognizes the Member for Stephenville - Port au Port.

**T. WAKEHAM:** Thank you, Chair.

I'd like to move the following amendment:  
That Bill 5, An Act Respecting the Establishment of the Newfoundland and Labrador Future Fund, be amended at paragraph 8(2)(b) by adding after the words "Lieutenant-Governor in Council," the words "and upon resolution of the House of Assembly."

**SOME HON. MEMBERS:** Hear, hear!

**CHAIR:** Order, please!

The House stands in recess while we take a look at the proposed amendment.

### Recess

**CHAIR:** Order, please!

Are the House Leaders are all ready?

After consideration, the amendment is deemed to be in order.

**SOME HON. MEMBERS:** Hear, hear!

**CHAIR:** The Chair recognizes the Member for Stephenville - Port au Port.

**T. WAKEHAM:** I'm glad that we've got another motion that has been ruled in order. Again, this one gives the Members opposite one more chance to actually bring a resolution back to the House of Assembly.

A minute ago, we talked about it as 10 years out. My hon. colleague, he tried to amend section 4. This one talks about amending 2(b), but it is the same principle. It is about bringing it back to the House of Assembly. If we're talking about something 10 years from now, all the more reason to set a precedent.

So I would hope that the Members opposite would agree with that. Let's change this and include those words "upon resolution of the House of Assembly." Simple words but powerful. I look forward to a positive acceptance of this amendment.

**SOME HON. MEMBERS:** Hear, hear!

**CHAIR:** The Chair recognizes the Member for St. John's Centre.

**J. DINN:** I'm not going to speak long on this, except to say what my colleague said: one more chance. I think what you're hearing on this side of the House, very clearly, wanting to support this, looking for this one concession if nothing else – a big one – a small change in wording that would basically bring it back to this House of Assembly for debate.

As far as I can tell, it's not going to curtail the powers, but it will allow for that extra checks and balances. I think what you're hearing in each of these is the deal breaker or the way that you can bring everyone on side. Quite simple, this is not a big ask. This is not being anti-democratic. This is very much about looking at, maybe if you want to call it, a new way of doing it, I don't know.

But the fact is that you've heard quite clearly here, to get the unanimity – and I guess really to echo what one minister said to me a year ago, we really don't need your support. I'm hoping, though, that at this point we're going to reach across and we're going to look for that broad consensus, that collaboration, that attempt that I hear so often, that we're all in this together. So here's an opportunity to bring us in, and to give us this opportunity, basically, to make sure it's debated fully in the House of Assembly. A simple request that would bring everyone on side.

**SOME HON. MEMBERS:** Hear, hear!

**CHAIR:** Any further speakers?

Shall the amendment carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

**SOME HON. MEMBERS:** Nay.

**AN HON. MEMBER:** Division.

**CHAIR:** Division has been called.

**Division**

**CHAIR:** Are the House Leaders ready?

**L. DEMPSTER:** Yes, Chair, we're ready.

**CHAIR:** Thank you.

Those in favour of the amendment, please rise.

**CLERK:** Barry Petten, Helen Conway Ottenheimer, Paul Dinn, Lloyd Parrott, Tony Wakeham, Jeff Dwyer, Pleaman Forsey, Loyola O'Driscoll, Craig Parry, Chris Tibbs, James Dinn, Jordan Brown, Lela Evans, Eddie Joyce, Paul Lane.

**CHAIR:** Those against the amendment, please rise.

**CLERK:** Lisa Dempster, John Haggie, Gerry Byrne, Bernard Davis, Tom Osborne, Siobhan Coady, Pam Parsons, Elvis Loveless, Krista Lynn Howell, Andrew Parsons, John Hogan, Sarah Stoodley, Derrick Bragg, John Abbott, Perry Trimper, Paul Pike, Sherry Gambin-Walsh, Scott Reid.

**CHAIR:** Order, please!

The amendment has been defeated.

On motion, amendment defeated.

**CHAIR:** The Chair recognizes the Member for Stephenville - Port au Port.

**T. WAKEHAM:** Thank you, Chair.

It's been an interesting evening, to say the least. I have more questions that I was going to ask, but I think it's futile to ask them to be perfectly honest.

**SOME HON. MEMBERS:** Hear, hear!

**T. WAKEHAM:** I think I'll just simply wait for Question Period.

We did learn something tonight, I guess. We had a House that was united about the principle of a Future Fund, and we leave here with a House divided because of unwillingness of government to even bend or take any of the suggestions that we've put forward. It came down to be the three different issues. We've heard from the Minister of Justice that they don't have to do any of this. It says it's already there.

We've heard from the Minister of Finance that they don't need to because they're all ready there. But the biggest take-away for me of the whole evening is that they don't want to.

**SOME HON. MEMBERS:** Hear, hear!

**T. WAKEHAM:** And it's as simple as that.

**CHAIR:** Shall clause 8 carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

I'm sorry. The Chair recognizes the hon. Member for St. John's Centre.

**J. DINN:** Question on clause 8, and I'm looking at the 8(1)(b)(iii) "to pay any amounts relating to the abandonment and decommissioning activities under an oil lease or licence in accordance with the applicable regulations and agreements ...."

Do we have any disclosure of liabilities in relation to this? (Inaudible) on the hook for here.

**CHAIR:** The Chair recognizes the hon. the Minister of Finance and President of Treasury Board.

**S. COADY:** As it would depend, we're not talking – there would be no decommissionings in the near future because, of course, we know the renewal, for example, of Terra Nova. We know Hibernia and Hebron are continuing to have life left with them. So there's nothing in the eminent path. Things may change as we progress towards that, so no I don't have a set number.

But as you may recall, the Auditor General has had concerns that there is no fund for this, for the decommissioning so this was an attempt to ensure that we could utilize the funds, should it become necessary into the future and that may allay some of the concerns that have been expressed by the Auditor General.

**CHAIR:** The hon. the Member for St. John's Centre.

**J. DINN:** So I know that the federal government is kicking in \$1.72 billion to deal with orphan wells and decommissioned wells in Saskatchewan and Alberta. That's \$1.72 billion. Now, I don't know, I can't say it's going to cost that much here, but nevertheless the fact is, it worries me that we're setting up a fund but we don't know how much. I think we should be.

The other part is that according to the notes to the consolidated financial statements there are four production facilities located in the offshore Newfoundland and Labrador: White Rose, White Rose Extension, Terra Nova and Hibernia. The expected end of production dates currently forecasted for these projects range from 2032 to 2050. I guess that's 10 years from now. Now I'm starting to wonder where the 10 years is coming in.

But the fact also that in the same consolidated financial statements it talks about the contaminated sites: "The Province has identified approximately 186 sites for which environmental liabilities or contamination may exist for assessment

..." I'm not sure if that is what this fund is going to be dealing with.

With the North Atlantic Refining Limited, the "... remediation plan have not been completed, a preliminary estimate indicates a range of \$34 - \$269 million." Again, I'm trying to get an idea of what are the liabilities. We must have some idea. Actuaries, I know and that, are very smart people. There must be some people that have done some studies to figure out what are the potential costs here. Eventually they will be decommissioned.

The other part of it is, should we be the ones taking on that liability or should that be something from the oil companies themselves? So we're setting up, I guess, a subsidy for large oil corporations but should that not fall to the oil companies? Again, I'd love to know what the potential liabilities are and why is this not a responsibility of the oil companies, who basically are making the greatest profit from this.

**CHAIR:** The hon. the Minister of Finance and President of Treasury Board.

**S. COADY:** Chair, this is under the agreements that are made with oil companies that have been long standing as to how decommissioning is taken off their royalties and the impacts that may have as they progress, as the Member well knows, well into the future.

At that point in time, there may be funding available by the federal government, there may be other considerations, but we wanted to capture here the concern that the Auditor General has said that there is no fund for this. So we said, look, we're going to put this aside, but into the future – right, past 10 years – you possibly could use this for this particular instance. That, we thought, could address some of the concerns of the Auditor General.

**CHAIR:** Shall clause 8 carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

On motion, clause 8 carried.

**CLERK:** Clause 9.

**CHAIR:** Shall clause 9 carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

On motion, clause 9 carried.

**CLERK:** Clause 10.

**CHAIR:** Shall clause 10 carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

On motion, clause 10 carried.

**CLERK:** Clause 11.

**CHAIR:** Shall clause 11 carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

On motion, clause 11 carried.

**CLERK:** Clause 12.

**CHAIR:** Shall clause 12 carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

On motion, clause 12 carried.

**CLERK:** Clause 13.

**CHAIR:** Shall clause 13 carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

On motion, clause 13 carried.

**CLERK:** Clause 14.

**CHAIR:** Shall clause 14 carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

On motion, clause 14 carried.

**CLERK:** Be it enacted by the Lieutenant Governor and House of Assembly in Legislative Session convened, as follows.

**CHAIR:** Shall the enacting clause carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.



**CHAIR:** All those against, 'nay.'

Carried.

On motion, enacting clause carried.

**CLERK:** An Act Respecting the Establishment of the Newfoundland and Labrador Future Fund.

**CHAIR:** Shall the title carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

On motion, title carried.

**CHAIR:** Shall I report the bill without amendment?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

**SOME HON. MEMBERS:** Nay.

**AN HON. MEMBER:** Division.

**CHAIR:** Division has been called.

### Division

**CHAIR:** Are the House Leaders ready?

All those in favour of the motion, please rise.

**CLERK:** Lisa Dempster, John Haggie, Gerry Byrne, Bernard Davis, Tom Osborne, Siobhan Coady, Pam Parsons, Elvis Loveless, Krista Lynn Howell, Andrew Parsons, John Hogan, Sarah Stoodley, Derrick Bragg, John Abbott, Perry Trimper,

Paul Pike, Sherry Gambin-Walsh, Scott Reid.

**CHAIR:** All those against, please rise.

**CLERK:** Barry Petten, Helen Conway Ottenheimer, Paul Dinn, Lloyd Parrott, Tony Wakeham, Jeff Dwyer, Pleaman Forsey, Loyola O'Driscoll, Craig Pardy, Chris Tibbs, James Dinn, Jordan Brown, Lela Evans, Eddie Joyce, Paul Lane.

**CHAIR:** Order, please!

The motion carries.

Motion, that the Committee report having passed the bill without amendment, carried.

**SOME HON. MEMBERS:** Hear, hear!

**CHAIR:** The hon. the Government House Leader.

**L. DEMPSTER:** Thank you, Chair.

I move that the Committee rise and report Bill 5 carried without amendment.

**CHAIR:** The motion is that the Committee rise and report Bill 5.

Is it the pleasure of the House to adopt the motion?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

On motion, that the Committee rise, report progress and ask leave to sit again, the Speaker returned to the Chair.

**SPEAKER (Bennett):** Order, please!

The hon. the Member for Baie Verte - Green Bay and Chair of the Committee of the Whole.

Motion carried.

This House do stand adjourned until 1:30 p.m. tomorrow.

**B. WARR:** Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report Bill 5 without amendment.

**SPEAKER:** The Chair of the Committee of the Whole reports that the Committee have considered the matters to them referred and have directed him to report Bill 5 without amendment.

When shall the report be received?

**AN HON. MEMBER:** Now.

**SPEAKER:** Now.

When shall the bill be read a third time?

**AN HON. MEMBER:** Tomorrow.

**SPEAKER:** Tomorrow.

On motion, report received and adopted. Bill ordered read a third time on tomorrow.

**SPEAKER:** The hon. the Deputy Government House Leader.

**L. DEMPSTER:** Thank you, Speaker.

I move, and I believe that will be happily seconded by the Deputy Premier, that this House do now adjourn.

**SPEAKER:** It is moved and seconded that this House do now adjourn.

Is it the pleasure of the House to adopt the motion?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**SPEAKER:** All those against, 'nay.'